



**John Lyttle
meets Liza
Minnelli**

Section Two, Arts, page 26

OLYMPIC COUNTDOWN

Today, an 8-page section
PLUS win a VIP trip to the Olympic Games
SEE SPORTS SECTION, OLYMPIC COUNTDOWN, PAGE 8, TELEPHONE ENTRY

summer of sport

Buy the Independent this Wednesday and
get our 12-page, midweek sports pull-out

THE INDEPENDENT

3,027

MONDAY 1 JULY 1996

WEATHER A lot of cloud, some showers

40p (inc 45p)

In an Islington rose garden, Tony Blair reshapes the future of his party

Labour leader to crush dissent

COLIN BROWN
Chief Political Correspondent

Tony Blair last night defied criticism of his autocratic style of leadership as he rewrote key sections of the party's draft manifesto on which Labour will fight the general election.

The 10,000-word policy document, being redrafted at home by Mr Blair, will emphasise the message that new Labour has jettisoned past commitments on tax and spending. The launch on Thursday will focus on law and order, cuts in school class sizes, welfare to work plans, health, and the economy.

Mr Blair last week tore up sections of the 1995 manifesto and decided to rewrite it himself because it failed to get across his message over the extent to which Labour had changed. It will reinforce his grip on the party, in spite of the storm he faced in Scotland.

In another major shift, Labour will signal today it intends to abandon past threats to abolish private beds from the NHS. Instead, Labour will shift the argument towards improving the NHS to make private health care unnecessary. Harriet Harman, Labour's health spokeswoman, will announce plans to release £100m for an extra 100,000 operations on the NHS by cutting the number

of managers in the health service after abolishing the NHS "internal market".

Sources close to the Labour leader dismissed threats of resignation by Scottish and Welsh Labour MPs over his U-turn on devolution, and regarded the criticism of Mr Blair's tough leadership style as a bonus, which could play well with voters in "middle England". "He is showing the leadership that John Major lacks," said one senior Labour source.

Mr Blair has calculated that the Scottish Labour MPs who were infuriated by the lack of consultation will accept the dramatic shift in policy with a referendum, and will not resign the party whip to join the SNP. But there were strong signs of a backlash by Scottish Labour critics last night over Mr Blair's plan to put the tax-raising powers of the Scottish Parliament to the Scottish voters in a separate referendum question.

One senior Scottish Labour MP said there would be a move to limit the referendum to the single question of whether or not the Parliament should be established. Tam Dalyell, the veteran Labour MP who was responsible for causing difficulties in the last attempt to give Scotland devolution, said last night the Commons should decide the powers of the Parliament before the referendum was put to the Scottish people. "The only question for the referendum should be do you support the 1978 Scotland Act passed by Parliament?"



Weeding out the opposition: Tony Blair works on the Labour manifesto at his London home yesterday

Photograph: Peter Macdiarmid

The fight-back to guarantee the tax-raising powers of the Parliament is likely to be started today by the cross-party Scottish Constitutional Convention and Scottish Labour MPs at a meeting tomorrow at Westminster.

Long-term plans to reduce the power of the party's National Executive Committee being canvassed by Tom Sawyer, the party's general secretary, led to reports that Mr Blair is intending to couple his drive on policy change with a purge of any critics.

His supporters yesterday denied plans for a purge, but made it clear that the NEC did have existing powers to require

the loyalty of MPs and candidates in the run-up to the election. "We want to ensure that MPs and candidates do not appear on TV supporting Tory ministers in criticising the party," said one Labour source.

The aim of the changes to the NEC is to ensure that a Labour Prime Minister and his Cabinet would not face a power struggle from the NEC, which could be used as the focus of discon-

tent through trade unions. By stripping it of its policy-making powers, Mr Blair is determined to have a stronger grip on power and his party than any of his predecessors.

A radical change in the Tories' strategy for dealing with Mr Blair will be adopted at a special political meeting of the Cabinet today chaired by John Major. The party's advisers have warned that its past at-

tempt to claim that Labour has not "changed its spots" are not believed by the voters.

In an attempt to clarify its attack on Mr Blair, the Tories will adopt a new strategy to warn the voters that with "new Labour" comes "new dangers" such as the break-up of the Union with Scotland and Wales.

But Lord Tebbit, the former chairman of the Tory party, last night said Mr Major should

challenge Mr Blair to extend his commitment to referendums to European monetary union.

"He has stepped straight into a trap. You cannot say it is such a constitutional change that you have a referendum on devolution and then deny it on things like Maastricht. He has made Jimmy Goldsmith enormously credible."

Leading article, page 13
Frank Field, page 15

Fraud Office probes regional grants

CHRIS BLACKHURST
Westminster Correspondent

The Government is conducting an investigation into the way in which regional grants are being used by local authorities and other bodies.

The investigation is being led by the Department of Trade and Industry, which is concerned about the way in which regional grants are being used by local authorities and other bodies.

The investigation is being led by the Department of Trade and Industry, which is concerned about the way in which regional grants are being used by local authorities and other bodies.

five schemes running into hundreds of millions of pounds.

One grant by the South West Development Board, involving £1m of taxpayers' money to Rom-Data Corporation, is being investigated by the Devon and Cornwall Police and the Serious Fraud Office in an inquiry codenamed Operation Gale. Rom-Data later collapsed and the DTI cash has not been recovered. A departmental inquiry has already identified serious failings in its handling of the Rom-Data case.

But Rom-Data, the Independent has learned, is just one of many cases where close connections existed between in-

dustrial development boards and the companies receiving their cash.

The development boards form the central plank in the Government's industrial policy, providing a link between Whitehall and commerce. They oversee several types of finance package and, last year, made recommendations totalling £140m in Regional Selective Assistance grants alone.

The National Audit Office and the influential Commons Public Accounts Committee (PAC) are standing by to launch their own inquiries. Robert Sheldon MP, chairman of the committee, has confirmed in a

letter the review of all the grants over £100,000 and the Audit Office and PACs' interest. He wrote: "The Department have now begun a review of all recent Regional Selective Assistance cases over £100,000 to identify further problems or circumstances similar to those in the Rom-Data case. The Department expects this to be completed by September."

Indications are, added Mr Sheldon, "that the SFO's inquiries should also be completed by the end of summer". The PAC chairman described the issues raised as "very disturbing". Sir John Bourn, the Comptroller and Auditor General, who heads the Audit Office, wrote Mr Sheldon, "will monitor developments closely; and I have asked him to consider how best to bring the matter before the Committee in the Autumn".

Close ties between people sitting on the powerful industrial boards and companies receiving Government assistance, go to the heart of the quango system. Even before the wider, nationwide scrutiny has finished, and ahead of the completion of the police investigation, the DTI has decided to tighten up its procedures. Consultants to the boards must now agree to a contract requiring them not to

work for companies for two years after they last received regional assistance cash. DTI staff are to receive extra training in the detection of fraud. The size of the boards is to be increased and the rules on the minimum number of members required for a meeting strengthened to prevent, as occurred in the South West, decisions being taken with only five people present.

A DTI spokeswoman said the new rules, together with a code of practice, should be issued in the next two months. Meanwhile, the department is waiting to see if there are other cases similar to South West.

QUICKLY Lesson for teachers

Headteachers will inspect teacher training colleges after claims that H.M. Inspector's inspectors are too soft on trendy teaching methods. Page 2

Veterans return

Veterans of the Battle of the Somme were 200,000 Britons were killed in a single day, returned yesterday to the fields in which they fought. Page 7

England's own goal

The English Black Sox supported Manchester United in the derby because they felt the team of nationalism verged on blasphemy. Page 4

Belts shake Mexico

Mexican stock market is still in a state of shock after emergence of a new "guerrilla army". Page 12

John downstairs

A wealthy hire manager, mums and chauffeurs never before. Page 3

Happy campers pitch up for Henman

JAMES CUSICK



Tim Henman: Last hope of glory

It looked like a colony of homeless refugees. Makeshift tarpaulins stretched over the pavement in a row of the worst excesses of the English summer yesterday. But this colony stretched around the perimeter of the All England Tennis Club where the only war zone is usually Centre Court or Number One Court.

The colony of people queuing for tickets has become a regular feature at Wimbledon - acquiring tickets through the Lawn Tennis Association's annual ballot is regarded as soft by the colony's die-hards. Corporate hospitality tickets are not even regarded as real tennis. The steel barriers left conveniently by the police to control the day-time crowds are used by the pavement colonists to delineate their own piece of little England. Emily Aslin, Lindsey Hasset and Neil Sher-

wood arrived at the colony at 10am yesterday to take up their fourth year of official residence at the championship's second Monday. They had counted their place in the queue at 135, perfectly safe for the 300 golden tickets that are reserved each day for those unable to penetrate the inner sanctum of ticket acquisition. Neil said:

"The queue is the most important thing to me about Wimbledon. Pre-paid is just not tennis but this is Little England. Around the threesome was enough equipment to set up base camp at Everest: a dome tent that could have survived a Sahara wind and enough food and drink that would be the envy of a famine zone. Each colonist's space around the entire All England Club's perimeter is customised and seemingly more elaborate as each unit returns with a little more experience each year. The Royal Box may be inside on Centre Court, but the Royal Colony this year, outside, belonged to four women from North Devon and Worcestershire. The candelabra was the give-away - along with a table for four and a storm tent with blow-up mattress, colour coordinated quilt and pillows, small external heater, a two ring stove with grill, matching towel and

flannels and a pile of smoked salmon canapés neatly arranged on the table. Sheila Braunton and Sally Clegg, both from Devon, and Denise Biggy and Cath Young, from Malvern in Worcestershire, left home at around 4.40am yesterday to take up position number 100 in the queue. Why do they do it? "We love tennis and we don't want to watch it at home and have to listen to Virginia Wade. We come for the atmosphere," explained one camper. By 7.30 this morning, the colony will have dismantled for the day. By 9.30 each will have the £20 pass which will allow triumphalism to take its place on Centre Court as Tim Henman, Britain's final chance in the men's singles, is hopefully cheered on to the quarter finals. And if there is disappointment? "It does not matter, we will be back next year."

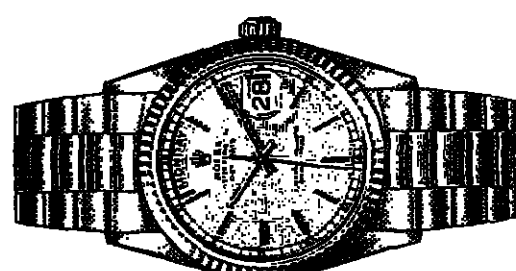
Photograph, page 2

CONTENTS

Section 1	
BUSINESS	17-19
COMMENT	13-15
CROSSWORD	20
LEADING ARTICLES	13
LETTERS	13
OBITUARIES	16
SCIENCE	20
SHARES	17
Section 2	
ARTS	26-27
DO WE NEED?	8-25
FAMILY LIFE	6-7
LISTINGS	28-29
LIVING	4-5
NETWORK	9-15
TV & RADIO	31-32
WEATHER	29



WHERE
TO ACQUIRE
A TASTE
FOR OYSTERS



ROLEX
of Geneva

The seamless Oyster shell of a Rolex chronometer is hewn from a single block of stainless steel, 18ct. gold or platinum. Within it lies a self-winding movement that has taken over a year to create. With prices starting at £1,155, the Oyster you always promised yourself is available from the Harrods Watch Department on the Ground Floor. Not, we might add, from the Food Hall.

Harrods
Watches

Harrods, Knightsbridge SW1X 7XL, Telephone 0171-730 1234.
Watch shown available in 18ct. yellow gold priced £2,000, white gold £1,500 and platinum £16,995.

سكزا من الاصل

news

New curbs on teacher-trainers

JUDITH JUDD and FRAN ABRAMS

Headteachers will be drafted in to inspect teacher-training colleges after allegations that Her Majesty's Inspectors are too lenient towards progressive teaching methods.

Chris Woodhead, the controversial Chief Inspector of Schools, has infuriated HMI by ordering that reports on primary teacher training should be re-written.

The official explanation offered by the Office for Standards in Education (Ofsted), which Mr Woodhead leads, is that the reports, due to be published in the next fortnight,

must be rewritten because the rules about inspections have changed.

But the 35 HMIs who inspect teacher-training colleges told Mr Woodhead at a meeting last week that his decision was a slur on their professional judgement.

Mr Woodhead believes that his office must investigate allegations that the reports present too rosy a picture of teacher-training standards.

Right-wing MPs and traditionalists have long argued that progressive teacher trainers are responsible for trendy teaching methods and low standards in schools. They have also blamed HMIs for failing to support

traditional teaching and for not putting enough emphasis on the basics.

Mr Woodhead argues that he must take note of criticisms voiced by new teachers in a study of literacy in three London boroughs; they said they had not been properly prepared to teach reading.

He proposed that primary headteachers should work alongside HMIs in the new phase of inspections to ensure that teacher-training colleges and departments are putting enough emphasis on the basics of literacy and numeracy.

Gillian Shepherd, the Secretary of State for Education, announced earlier this year that

she intended to compile league tables for teacher-training colleges based on their inspection reports.

About half the 60 primary teacher training colleges and departments have been inspected and a summary of the findings they have made will be published shortly.

Although more than 20 reports have been published so far, only two departments have been identified as failing. All but a handful are likely to be classed as sound, good or very good in training young teachers in literacy and numeracy.

Mrs Shepherd - who recently announced a national curriculum for teacher training to

ensure that all teachers are trained how to teach by traditional methods - is expected to go ahead with the league tables despite Mr Woodhead's decision to reinspect colleges and departments.

Not all the colleges and departments would be reinspected. Ofsted may decide to take a random sample or to reinspect the worst and best.

A spokesman for Ofsted said there might be further inspections of primary training institutions next year but that this was not because of any dissatisfaction with the first batch.

"There will undoubtedly be a return to some of them to look in more depth, particularly at lit-

eracy and numeracy. The previous inspections were a broad-brush exercise," he said.

Ted Wragge, professor of education at the University of Exeter, said Ofsted inspectors had found that trainee teachers were already being taught to use the whole-class teaching methods that ministers favour.

"The concern among training institutions will be that the message is that inspectors' judgements are wrong and haven't been severe enough. If this is the equivalent of marking the cards of the inspectors who are being brought in to do the second inspections, then what is the point of sending them in?" he said.

SIGNIFICANT SHORTS

Police yesterday prevented an Orange parade going through a nationalist flashpoint in Belfast. Royal Ulster Constabulary Land Rovers blocked the Ormeau Road bridge where a religious service was staged to mark the 80th anniversary of the Battle of the Somme. The Orangemen wanted to parade to the city centre but security chiefs feared violence if the small gathering was allowed to cross the bridge into the Catholic area.

The demonstration passed off quietly but the Orangemen protested bitterly about the ban - the latest of a number in Belfast involving the Orange Order. Other controversial parades are planned between now and the run-up to the 12 July demonstrations. Last year there was a three-day stand-off between police and Orangemen in Portadown, Co Armagh after the RUC banned the parade from going through a Catholic area.

Nine-year-old boy died yesterday in a house fire. After helping to save his family, Sean Evans raised the alarm ensuring that his parents, two brothers and sister escaped before the blaze engulfed their end-of-terrace house in Beechwood, Birkenhead.

Firefighters said Sean was having breakfast with two other children in the lounge when they heard a noise and discovered the fire in the hallway. He closed the door on the other children to keep the fire at bay and rushed upstairs to alert his parents who were in bed. While the rest of the family escaped, Sean was apparently trapped by a "blow-torch" effect as the fire swept up the stairwell. Sean's parents and the other children, aged between six and eleven, were being treated at Arrowe Park Hospital, Wirral, for smoke inhalation and shock. Police and fire brigade experts were investigating the cause of the fire.

Privatised train companies are still overcharging for tickets, failing to provide the cheapest available fare in up to 87 per cent of cases, according to a new survey. John Swift, the rail regulator, said if the findings proved to be correct he would not rule out the possibility of fines.

The Consumers' Association has repeated a survey carried out six months ago which found that overpricing was running at 90 per cent. The new survey shows the train companies have ignored warnings that they would be fined if they continued to breach the rules, according to a report on BBC TV programme *Panorama*, being screened tonight. The survey involved routes between London and Birmingham, Exeter and Bristol, and found that out of 116 ticket inquiries, 101 responses were incorrect and overpriced - an error rate of 87 per cent, a BBC spokeswoman said. The tickets should have cost £6,593.80 but in fact totalled £12,855.50 - overcharging by £6,261.70.

The Home Secretary, Michael Howard, is appealing today against a ruling that he acted unlawfully in setting a minimum sentence for the schoolboy killers of two-year-old James Bulger. Government lawyers were preparing for a two-day battle at the Court of Appeal designed to protect the right of the Home Secretary to impose "tariffs" on juvenile murderers. The High Court ruled in May that Mr Howard was acting beyond his powers in ordering that Robert Thompson and Jon Venables should be kept behind bars for 15 years for killing James in Bootle, Merseyside, in February 1993, when they were 10. It quashed the decision but granted leave to appeal. Judgment by the Court of Appeal is expected to be reserved until a later date. The new legal moves came as the pressure group Justice issued a new call for the Home Secretary to be stripped of all powers over setting tariffs for life sentences.

The most expensive theme-park ride to open this year in Britain is unveiled today. The multi-million pound attraction at Thorpe Park in Surrey claims to be the only ride in the world which plunges backwards, in total darkness. Called "X-No Way Out", the rollercoaster plummets from 40 feet at 40mph. It has taken four years to plan - including consultation with children - and is described as the most adventurous and innovative to open at Thorpe Park, which attracts about 1.4 million visitors a year.

New car buyers could save more than £1,000 if they were prepared to travel, according to a new survey. A Ford Escort 1.6LX on sale in London costs £12,955 but the identical model in Cardiff was £11,621, a saving of £1,334. The BBC TV *Value for Money* programme found that in Edinburgh the Escort could be had for £1,000 under the asking price. The smallest cut was in Bristol where the dealer took £500 off; in Manchester the reduction was £610 and in Birmingham £910. The worst time for discounts is August when the changing registration letter boosts sales. Around half a million new cars are likely to be sold then, so July is good for discounts as dealers want to clear old stock.

Two tickets hit the National Lottery jackpot on Saturday, winning £5.2m each. The winning numbers were 34, 35, 17, 27, 46, 4. The bonus ball was 7.

ADVERTISING SUBSCRIPTIONS	
Belgium	£5.00
Canada	£10.00
France	£10.00
Germany	£10.00
Italy	£10.00
Japan	£10.00
Spain	£10.00
Sweden	£10.00
Switzerland	£10.00
USA	£10.00
UK	£10.00



Flagging hopes: Fans of Tim Henman, Britain's emerging tennis star, queuing outside Wimbledon yesterday

Photograph: Peter Macdiarmid

Tories in new defence row

COLIN BROWN
Chief Political Correspondent

Defence ministers were threatened with a fresh rebellion over defence yesterday when senior Tory MPs warned they would oppose a Treasury move to cut

£400 million from the defence budget to finance tax cuts and other spending programmes.

Michael Colvin, the Tory chairman of the Commons select committee on defence, warned Kenneth Clarke, the Chancellor, to keep his "hands

off our national security" in preparing his next Budget.

"There would be a row if he tried to cut the defence budget and I just don't think he should," Mr Colvin said.

"Our armed forces are at the moment overstretched. They need a period of future stability rather than further cuts," he warned that it could backfire on the Tories. "With the election upon us the armed forces are going to see what the different parties say about their budgets."

The Cabinet will agree to keep a tight rein on public spending at a review of public spending on Thursday, but the Tory MP for Gosport, Peter Viggers, another member of the defence committee, said there was "certain" to be opposition if the cuts went ahead.

It came as the protests deepened over the £2bn sale of armed forces' married quarters last night. A defence minister admitted that assurances by the Prime Minister that families would not be moved out against their will could be broken.

John Major told MPs last Tuesday that no forces families would be moved out of their quarters against their will. But James Arbuthnot, the minister for defence procurement, admitted some could be offered "comparable" accommodation elsewhere.

Julian Brazier, the Tory backbencher leading the campaign to stop the sale, warned that Mr Major would have to intervene to uphold his assurance.

"The Prime Minister has been to Bosnia, he takes a ter-

rifically personal interest in the armed forces. He doesn't make pledges lightly and the pledge was made very clear on Tuesday," Mr Brazier said on BBC radio.

He said the deal, allowing site exchanges, would have to be "very substantially changed" to guarantee families would not be uprooted against their will. The doubts are certain to make the families who oppose the sale, dig in their heels, and it will strengthen opposition among Tory peers to the sale.

Peers are ready to defeat the Government on the final stages of the Housing Bill with an amendment which would scupper the sale for a year. Labour is also poised to force a vote in the Commons against the sale.

Jonathan Aitken, a former defence minister, fuelled Tory backbench rumours that the campaign is aimed at undermining the chances of Michael Portillo, the Defence Secretary, sweeping the right wing votes in a leadership contest with John Redwood.

Mr Aitken said: "There is a sort of slight game of Portillo-bashing in some quarters."

"Some people may be playing that game and I would regret that if it was true."

Liberal Democrat defence spokesman Menzies Campbell said Mr Aitken's comments on BBC radio revealed splits among the Conservatives. "It is an extraordinary admission and will be deeply damaging to service morale that the sale has become an issue between camps."

Leading article, page 13

The men who handed out tax-payers' cash

Chris Blackhurst on
a possible conflict of interest in South-west

As a senior partner in the South-west office of KPMG, the accountancy firm, Roger Harris advises many of the region's most thriving businesses. As chairman of the region's Industrial Development Board he assists the Department of Trade and Industry in deciding which companies in the South West should have regional selective assistance grants.

Attending development board meetings is not much of an inconvenience for Mr Harris: his offices are in the same building as KPMG's in Plymouth. Last year, the South-west development board advised on grants totalling £7.4m. Six of those grants, worth £2.45m, were to companies in which Mr Harris has declared an interest. In fact on 31 occasions since he became chairman of the development board in 1991, grants were awarded to companies in which he declared he had an interest.

Mr Harris is not alone. Mr Oppenheim's answer to David Jamieson, the Labour MP for Devonport discloses that former and current South West development board members, Kenneth Holmes, Michael Knight, Graham Stirling, Michael Jordan and Phil Gregory have also had to declare an interest in companies applying for grants. One of those where Mr Har-

ris declared an interest was Rom-Data Corporation. A Fulmouth-based computer company, it applied for and was offered £750,000 of regional selective assistance cash in November 1991. The application was assessed by Mr Holmes, a businessman who has served as the board's chairman. After leaving he continued to work for the board as its external adviser, and had told the board when assessing the application that he had been offered a job with Rom-Data. Soon afterwards he became chairman.

In 1994, after receiving another £250,000 of DTI cash Rom-Data collapsed, owing £240,000 in wages. They, like the DTI, have never recovered their money. The Serious Fraud Office and Devon and Cornwall police are looking into the collapse of Rom-Data.

The DTI is reviewing all its industrial development boards, looking at whether they have close links, like the South-west board, with the companies applying for grants and if members have been properly declaring potential conflicts of interest.

Use this voucher to try our
12-page Summer of Sport
pull-out this Wednesday

THE INDEPENDENT
for only 10p on Wednesday

To the Reader: Hand this voucher to the newspaper with a copy of The Independent on Wednesday 3 July 1996 and pay only 10p. (Home delivery customers have until 28 July 1996 to present the voucher to your newspaper.) If you have any problems redeeming your voucher please call telephone 0800 666 821.

To the Retailer: Please accept this voucher as part payment for The Independent on Wednesday 3 July 1996. To receive your normal terms plus a 2p handling fee, please provide your retailer's name and your box no. and return this completed voucher to your wholesaler by 31 July 1996. This voucher is not to be used in conjunction with any other offer - it is valid for The Independent only.

WHOLESALE'S NAME: _____ RETAILER'S BOX NO: _____

To the Wholesaler: Please credit the returning retailer with 32p (P01 37p). This includes 2p Retailer Handling Allowance per voucher. To claim your credit together with 1p per voucher handled, please send to Voucher Redemption Ltd, 17 Orion Court, Cresser Farm Rd, Basildon, Essex SS14 3QB.

Reader's name _____
Address _____

Ref: SPTW10P 9 506480 120300



There's no better place to test the dynamic handling and performance of a BMW than on a racetrack.

Which is where you could find yourself when you enquire about BMW Approved Used Cars.

Every month, ten prize draw winners will enjoy an afternoon's performance driving courtesy of the Nigel Mansell Racing School at Brands Hatch, Oulton Park or Snetterton. Naturally, all Approved Used BMWs come with a full service history, as well as a year's

warranty and European breakdown cover. And, before reaching the Dealer showroom, each car undergoes 124 stringent checks - from the brakes to the contents of the toolkit. Proof that there's no better place to buy a used BMW.

For more details and your chance to win an afternoon at the Nigel Mansell Racing School, call now.

BMW INTERNET ADDRESS:
http://www.bmw.co.uk
0800 777 137

Approved
Used Cars

ALL PERSONS PROVIDING THEIR NAME AND ADDRESS BY CALLING 0800 777 137 WILL BE ENTERED INTO A MONTHLY DRAW OFFER ENDS 31.7.96. TEN PRIZES WILL BE OFFERED EACH MONTH. PARTICIPANTS MUST BE OVER 16 AND HOLD A FULL CURRENT DRIVING LICENCE. ONLY 1 ENTRY PER PERSON. WINNERS WILL BE NOTIFIED BY POST 2 WEEKS AFTER EACH MONTHLY DRAW WHICH WILL TAKE PLACE ON THE 15TH OF EACH MONTH. NO CASH ALTERNATIVE. NO EMPLOYEES OF BMW (GB) LTD, BMW DEALERS, AGENTS OR THEIR FAMILIES MAY ENTER. A LIST OF WINNERS WILL BE AVAILABLE ON WRITTEN REQUEST TO: BMW INFORMATION SERVICE, PO BOX 161, CROYDON CR9 1QB.

Barrie Clement, Labour Editor, reports on the latest boom industry – domestic service, and talks to a butler about the demands of the job

Servants back in below-stairs Britain

Royals
'are the
worst
employers'

Servants are back. The wealthy, particularly those with new City money, are hiring more butlers, maids and chauffeurs than ever before.

Getting the paid help to take the strain out of living the high life has led to a doubling in the past two years of inquiries to one of the leading domestic help agencies in London.

While this has helped to push up pay rates of staff whose pay has been notoriously low, there is one group of employers which continues resolutely to pay bottom dollar – the Royal households.

Their staff are among the lowest paid domestic staff in the capital and "hate" working there, according to the companies which supply them.

At any one time, around a third of the employees at Buckingham, Kensington and St James's palaces are on the books of employment agencies, anxious to escape the drudgery and low wages.

Even experienced royal butlers, the most senior servants, only earn around £12,500 a year compared to earnings of up to £40,000 elsewhere. First-class cooks and housekeepers make around £200 a week, half the amount they would expect to be paid in other grand houses in London, industry sources say. The volume of work is also greater at the palaces because of the amount of entertaining that goes on.

One source said: "There is an incredible throughput of employees. People do it to get their foot in the door, but they hate it."

Agencies concede that servants receive an excellent training at the royal households and sometimes there are trips abroad. And a spell at one of the palaces is a clearly an unbeatable adornment to the curriculum vitae.

Yet short royal arms and cavernous pockets remain a problem for the Windsor's servants. Almost as parsimonious are the aristocrats of London, but they find there is now mounting competition from the nouveau riche for the most experienced servants. The City's boardroom "fat cats" are increasingly spending a proportion of their earnings on domestic help and are prepared to pay a little more than "old money". Between 70 and 95 per cent of the inquiries received by agencies now come from the newly rich.

Massey's Agency, a supplier of butlers, valets, footmen, chauffeurs, cooks, maids, nannies and assorted amanuenses, reported the 50 per cent increase in demand over the last two years.



You rang, sir? Discretion and honesty are the watchwords for a successful butler, Boris Roberts believes

Photograph: John Lawrence

The burgeoning demand for servants, however, also highlights the growing gap between rich and poor in London.

In the latest edition of the Low Pay Unit's *New Review*, Rosie Cox, who teaches at Coventry University, points out that during the 1980s the richest 10 per cent of the capital's population saw their disposable income rise by 62 per cent whilst the poorest 10 per cent saw theirs fall by 17 per cent.

"One place where the polarisation can be seen is in the homes of the well-off where those who are less well-off are increasingly employed," she said.

Many of the servants are part-time, female, benefit-dependent immigrants. Wages for cleaners in central London are between £4 and £7 an hour, but there is no sick or holiday pay and the servants are often unpaid when their employers are away. Live-in domestic workers such as nannies and au-pairs do no better. A qualified nanny will earn around £150 a week plus bed and board, while an au pair will earn as little as £35.

A survey of agencies supplying staff for the super-rich in London found there were more than 1,000 households which have two or more full-time employees. The old complaint that

"you just can't get the staff" seems to be true, but few enter the profession out of choice.

There is often a strong Upstairs-Downstairs flavour to the employer-employee relationship and many servants are expected to be servile. Sharing a house can be stressful with domestic workers feeling they are never off duty, even at night or on days off.

According to Ms Cox some butlers are still required to iron their employer's newspapers. Ian McCartney, Labour's employment spokesman, expressed his disgust at the rising demand for servants.

"This was the generation of young people who were going to be our engineers, our designers, our scientists and our teachers. Instead we've turned them into nursemaids and skivvies for the fat cats."

Mr Roberts believes his previous jobs have prepared him for a life as a major-domo and considers his personality well suited to service. These days butlers are not so much man-servants as in Jeeves, as managers and administrators who may be responsible for 20 or 30 staff.

Discretion is the watchword, he believes, together with honesty. "One butler was asked by his employer to comment on his newly-acquired turquoise jacket and pink trousers and he was given a frank and honest opinion. Now both the man and his wife consult the butler on their choice of clothes before going out."

However one should never be too familiar. "A butler should never cross the line between friendliness and familiarity. The same goes for the butler and the other household staff."

How does one cope with an honoured guest who has pocketed the master's most cherished antique snuff box? "One advises the gentleman who has pilfered the object that after he has completed his examination of it, he might care to look at another artefact which he might find equally interesting," says Boris Roberts. He finds that his years as a door-to-door Mormon missionary and training at the Ivor Spencer School for Butlers has prepared him for virtually any eventuality.

Prince close to divorce settlement offer



Princess of Wales: Frustrated by delays

The Prince of Wales is set to offer the Princess a divorce settlement after 10 weeks of deadlock. A meeting between lawyers for the two sides is expected shortly, possibly this week, at which proposals will be put forward in reply to the Princess's demands.

Further negotiations are then likely, but insiders think a decree nisi could be granted "in weeks rather than months". The speed of the settlement largely depends on the Prince's financial offer.

Neither side is commenting on speculation surrounding the divorce following a request from the Queen that the negotiations should be confidential.

However, it now seems likely that the Prince will offer a clean-break settlement worth

between £15-£20m, although it is believed that he would have preferred to pay a "drip-feed" annual allowance.

The Princess, who celebrates her 35th birthday today, is thought to be ready to move quickly and has already expressed her frustration to the Queen over delays.

The Queen and the Duke of Edinburgh are thought to be keen for a swift end to the protracted divorce negotiations so as to close an unhappy chapter in the history of the House of Windsor.

If the Prince's offer, to be submitted by Fiona Shackleton of the Queen's solicitors Farrer & Co to the Princess's lawyer, Anthony Julius of Mishcon de Reya, is acceptable, a decree nisi could be granted before the estranged couple's 15th wedding anniversary on 29 July. A petition from Prince Charles seeking a divorce by consent, based on a separation of more than two years, is the likeliest outcome. A decree absolute would take another six weeks.

If the Prince offers a clean-break cash settlement, he will need financial help from the Queen or may seek a loan. Although he is wealthy, he does not have the liquidity necessary to make a £15-£20m pay-off. His annual income of almost £5m from the Duchy of Cornwall leaves him with about £1.5m for personal expenses after deducting nearly £2.5m in official expenditure and £1m tax. He cannot sell off any Duchy assets as this wealth is held in trust for him for future heirs to the throne.

His personal portfolio of stocks and shares, thought to be worth more than £2m, would not finance the divorce.

As part of the eventual divorce settlement, the Princess is expected to continue living at Kensington Palace, although it is unlikely that the Prince will agree to her request to retain an office at St James's Palace, close to the Prince's London apartment.

Mounting speculation that the Princess, as the mother of a future king, will, contrary to earlier reports, retain the style "Her Royal Highness", is doubtful. It is more likely that she will be addressed "Diana, Princess of Wales".

Agreement must also be concluded, involving 10 Downing Street and the Foreign Office,

on the Princess's future public role and the status of any overseas visits by her. She has expressed a wish to be a "goodwill ambassador" for Britain, as well as a "Queen of Hearts" raising funds for charity and comforting the sick and needy.

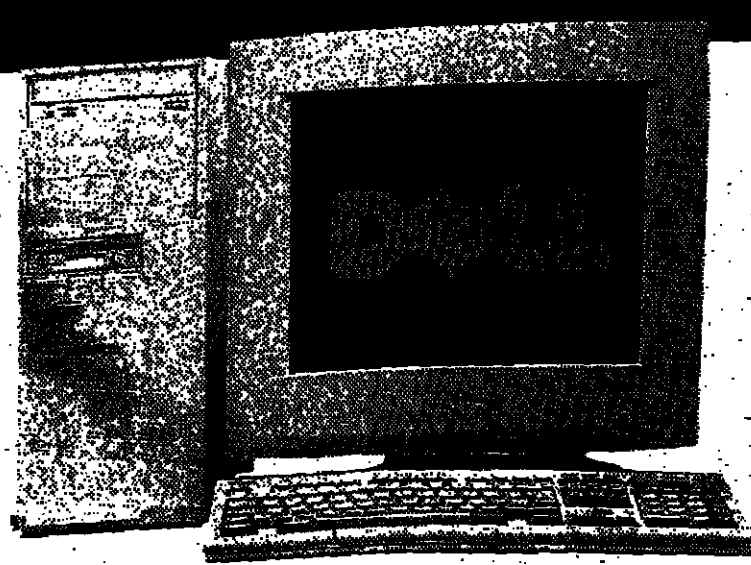
The divorce settlement will include a so-called "gagging clause" restraining the Princess – and presumably the Prince – from publishing details about their failed relationship or going public in any other way.

There is agreement between the couple that access to their children, Prince William, 14, and 11-year-old Prince Harry, will be shared equally. Both the Prince of Wales and the Princess will have a continued close involvement in their sons' upbringing.



Prince Charles: Liquidity problem

Fast machine. Lean price. Call now.



£999 (£1,203.20 incl. delivery + VAT)



pentium

- DELL DIMENSION P120t • INTEL® 120MHz PROCESSOR • 16Mb EDO RAM • 256Kb PIPELINE BURST CACHE
- 1Gb EIDE HARD DRIVE • INTEGRATED 64-BIT PCI LOCAL BUS VIDEO WITH 1Mb VIDEO MEMORY • 15" SVGA MONITOR (13.75" VIEWABLE AREA) • 3 PCI, 2 ISA AND 1 PCI/ISA SHARED EXPANSION SLOTS • SIX SPEED CD-ROM DRIVE
- MID-SIZED TOWER CHASSIS • MICROSOFT® WINDOWS 95 • DELL MOUSE AND KEYBOARD

Once again, Dell delivers more than ever for less than ever. For a limited period, our extra-powerful 120MHz Dimension™ P120t is only £999 (£1,203.20 incl. delivery and VAT). But its low price doesn't mean a low spec: you get 16Mb of EDO RAM, 256Kb Cache, 1Gb Hard Drive, Six Speed CD-ROM Drive, integrated 64-bit PCI Local Bus Video and Microsoft® Windows 95. Plus, of course, the reliability and award-winning support you'd expect from the UK's largest direct PC manufacturer.* But you must act quickly. Call us now on 01344 724632 and upgrade to a mean machine at a lean price.

DELL®

TALK DIRECT TO THE NUMBER ONE.
01344 724632
Between 8am and 8pm weekdays, 10am to 4pm Sat.

Dell is a registered trademark of Dell Computer Corporation Ltd 1996. Intel, Intel Inside, Pentium, Pentium Inside, Windows 95 and the Windows logo are registered trademarks of Intel Corporation. Microsoft, Office Professional 95 and the Windows logo are registered trademarks of Microsoft Corporation. Delivery is charged at £25 + VAT per system. Prices correct at date of publication. Dell Retail is offered in England and Wales only. The photograph product may not always match the specification. Dell is a registered trademark of Dell Computer Corporation Ltd 1996. Intel, Intel Inside, Pentium, Pentium Inside, Windows 95 and the Windows logo are registered trademarks of Intel Corporation. Microsoft, Office Professional 95 and the Windows logo are registered trademarks of Microsoft Corporation. Delivery is charged at £25 + VAT per system. Prices correct at date of publication. Dell Retail is offered in England and Wales only. The photograph product may not always match the specification. Dell is a registered trademark of Dell Computer Corporation Ltd 1996. Intel, Intel Inside, Pentium, Pentium Inside, Windows 95 and the Windows logo are registered trademarks of Intel Corporation. Microsoft, Office Professional 95 and the Windows logo are registered trademarks of Microsoft Corporation. Delivery is charged at £25 + VAT per system. Prices correct at date of publication. Dell Retail is offered in England and Wales only. The photograph product may not always match the specification.

news

Football and race: Afro-Caribbean fans backed other teams in Euro 96 first in protest at tide of xenophobia

Blacks
'withdrew
England
support'

CLARE GARNER

Some British blacks supported teams other than England in Euro 96 because they felt the torrent of nationalism verged on xenophobia, according to a survey by Britain's leading black newspaper published tomorrow.

More than half of the respondents in a poll by *The Voice of Afro-Caribbean football supporters* aged between 19 and 53 said they refused to back the two British teams in the international tournament. Some said they backed teams with the largest contingent of black players, such as Holland and France, but they preferred even Germany, which had no black players, to England.

One respondent felt so strongly that he hailed Gareth Southgate's crucial penalty miss as "the foot of God". Another complained that there were

insufficient black players in the England side, saying: "Les Ferdinand should have been there. They only used Ince. That wasn't right. Regardless of the strategic validity, or not, [of Terry Venables's decision] it is the visual image that counts."

Herman Ousley, chairman of the Commission for Racial Equality and the Advisory Group Against Racism and Intimidation (AGARI), which tackles violence in football, insisted that the subject must be debated in a wider context. Why, he asked, did so many Scots, for example, celebrate the England defeat?

Mr Ousley believes some blacks turned their backs on the England side for fear of what would follow an England victory. "What was natural patriotism turns to nationalism and becomes tinged with xenophobia as part of the jingoism. A lot of people feel



Lone voice: A rare black face among England supporters at Wembley during Euro 96

Photograph: Laurence Griffiths

they have been at the sharp end of that sort of diatribe. What was most worrying for them is: 'Should England win this Euro 96 it will be never-ending.'

He added: "Blacks would undoubtedly identify with teams with more black players. It's very natural when they feel there isn't the same representation that they can empathise with

within the national football side."

The survey again raises the question: "What does it mean to be British?" and recalls the infamous "cricket test" proposed by Lord Tebbit. In 1990 the former cabinet minister told the *Los Angeles Times* that "a large proportion of Asian immigrants would fail this test of British nationality."

It was, he said, an "interesting test". "Are you still harking back to where you come from - or supporting where you are?" A nation is a nation "for what it shares in common", he said.

His views had not changed yesterday: "It could be applied to the English in Australia, the Spanish in America... it doesn't matter. The question is: 'Are

people integrated?' Do people wish to integrate into the society in which they live or do they wish to live in a ghetto."

Blacks should, he argued, follow the Jewish example. "The Jewish population has answered the question very clearly by working in the country they lived in and adapting its values. It integrates while maintaining its own identity. Others should look to the same idea."

The choice is simple, according to Lord Tebbit. "Do you deal with it [the "problem"] by integrating or by going into a ghetto. People have to make up their own minds. If you look at athletics one sees mainly ethnic teams and I fancy that most of the blacks who are in athletics for Britain are proud of carrying that flag. The fact that you don't find terribly many white runners in many events, that's one of those things isn't it? Presumably they've selected the best. For me there are two criteria: one, do you wish to integrate. Two, do you select on merit. I'm in favour of integration and merit."

"If you say it [integration] hasn't happened yet, I'd point out that it was a long time after central and eastern Europeans arrived here before they found themselves in government coping with sneering idiots saying there were more Estonians than Etonians in Margaret Thatcher's government."

Scotland was free to support whoever it liked, and it said nothing of a British identity crisis, he said. "In football there isn't a United Kingdom team. Who you support after your first country is up to you. I happen to have been born in Middlesbrough. That doesn't mean to say I wouldn't have a view on whether Yorkshire or Lancashire should win the county championship."

Ainsley Harriot, the black celebrity chef, felt there would have been room for a few more black faces "just to balance it". He suspects a "little bit" of discrimination in selection does occur adding that it is no accident that blacks are more successful in individual than team sports. "I know Ian Wright for instance, and I talk to him about it. He said there's a real bonding between the lads themselves but it's upstairs at the at chairmanship level where they are very protective about what they want their club to be. That generation thinks that way perhaps."

And did Ainsley support England when he went to Wembley for the semi-finals? "Of course, I've been born here. There's no denying it." But when it comes to cricket it's different. "I originate from Jamaica and I'm very proud of my roots. My cousin is the [former] West Indian wicket-keeper Jeffrey Dujon, so I always support the West Indies in cricket."

Jobs
not at
risk
from
£3.50
wageBARRIE CLEMENT
Labour Editor

Despite ministerial protestations a national minimum wage would not cost jobs, according to a seminal investigation conducted by one of Britain's leading experts on the issue.

Employers expect that a future Labour government would fix the rate at around £3.50 an hour which would have no impact on total employment, Dr Fred Bayliss points out in a paper published by the Employment Policy Institute which declares itself "neutral" in the debate.

"Even if some sections of industry are severely affected by a NMW [national minimum wage] this does not necessarily imply the kind of 'devastation' of jobs predicted by some opponents of the policy," Dr Bayliss says.

Some ministers have talked of hundreds of thousands of job losses. Because of the paper's practical tone and the eminence of its author, a former chairman of the institute, the £3.50 figure - uprated in line with prices - is now likely to become something of a benchmark for Labour, in private at least.

The biggest unions are presently demanding £4.26 an hour, while the Trades Union Congress in a confidential doc-



Ian McCartney: Report 'vindicates Labour policy'

ument favours a figure nearer £3.65. The paper warns that employers believe the possible inflationary consequences of the sum are more significant than the effect on jobs, although the "price effects" should not be too severe.

Ian McCartney, a Labour employment spokesman, yesterday greeted the report as a vindication of its policy, while the Government may now be keen to emphasise the inflationary impact, however limited.

Dr Bayliss argues in the report, *Employers and a National Minimum Wage*, that the effect of the statutory minimum will vary markedly between different industries.

The sectors most affected - catering, textiles and industrial cleaning - will experience "accelerated restructuring". Many small companies will come under "severe pressure" and they will have to fight to survive.

In some cases prices will rise, although there will be "little or no impact" on jobs because surviving companies will take over contracts and offer "replacement" jobs, Dr Bayliss says.

Some companies argued that the minimum should be phased in rather than brought in as a "big bang". While Labour has indicated that the rate for 16- and 17-year-olds would be lower, employers also contended that adult trainees should be exempt from the full rate.

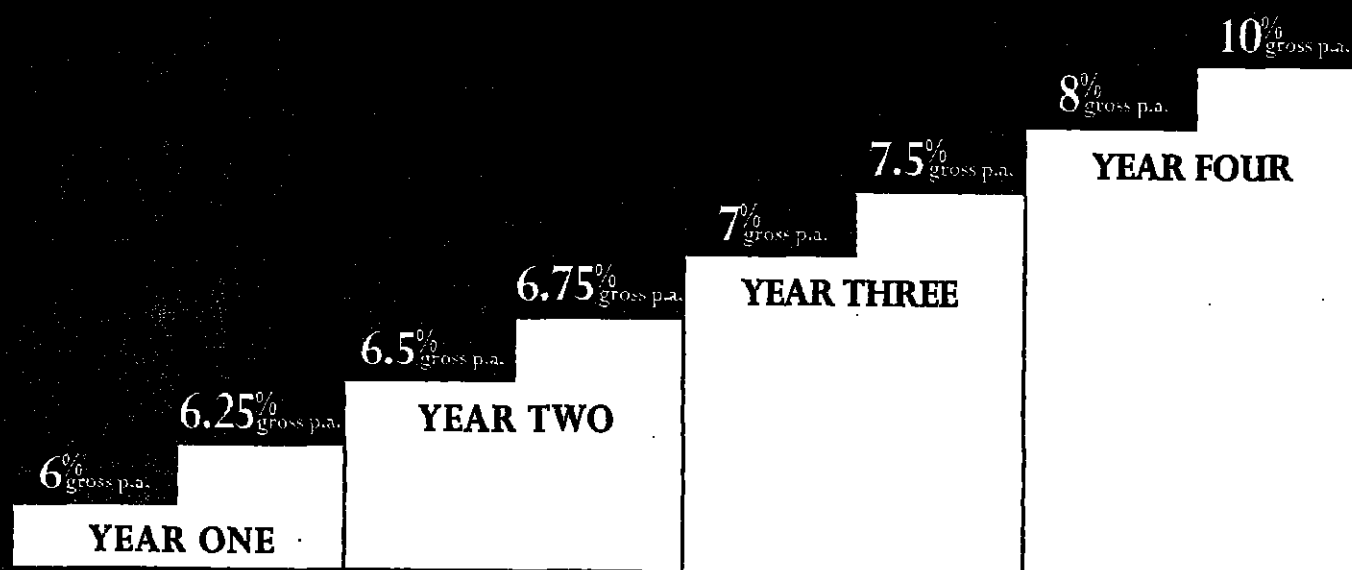
In interviews with 25 senior managers in the public and private sectors and officials of employers' organisations, Dr Bayliss found that pay differentials were another worry.

He suggests that "modesty should prevail" in the process of setting the rate or that a future Labour government might consider a more general form of pay policy to contain the inflationary impact.

The report suggests that the Low Pay Commission, envisaged by Labour as an advisory body to government, should be able to mount its own inquiries and be responsible for inspection and enforcement.

Dr Bayliss concludes: "The devil is in the detail. The commission must examine how the minimum will work at different levels. It is better to anticipate the potential pitfalls in advance than to have to react when those employers' hardest hit start to shout."

Polly Toynbee, page 15

A ONCE IN A
MILLENNIUM OFFER.UP TO 10%
GROSS p.a.

Abbey National's Millennium Bond offers you a fixed rate which rises every 6 months and guarantees you a return of up to 10% gross p.a. in the year 2000. All you need is a minimum investment of £10,000. What's more, you can choose to receive your interest either monthly or annually, whichever suits your needs.

But this is a limited offer, so don't delay. Call Abbey National Direct on 0800 100 801 Monday to Friday 9.00am to 5.00pm or Saturday 9.00am to 1.00pm, quoting reference A406A, or call into your nearest branch for further information.

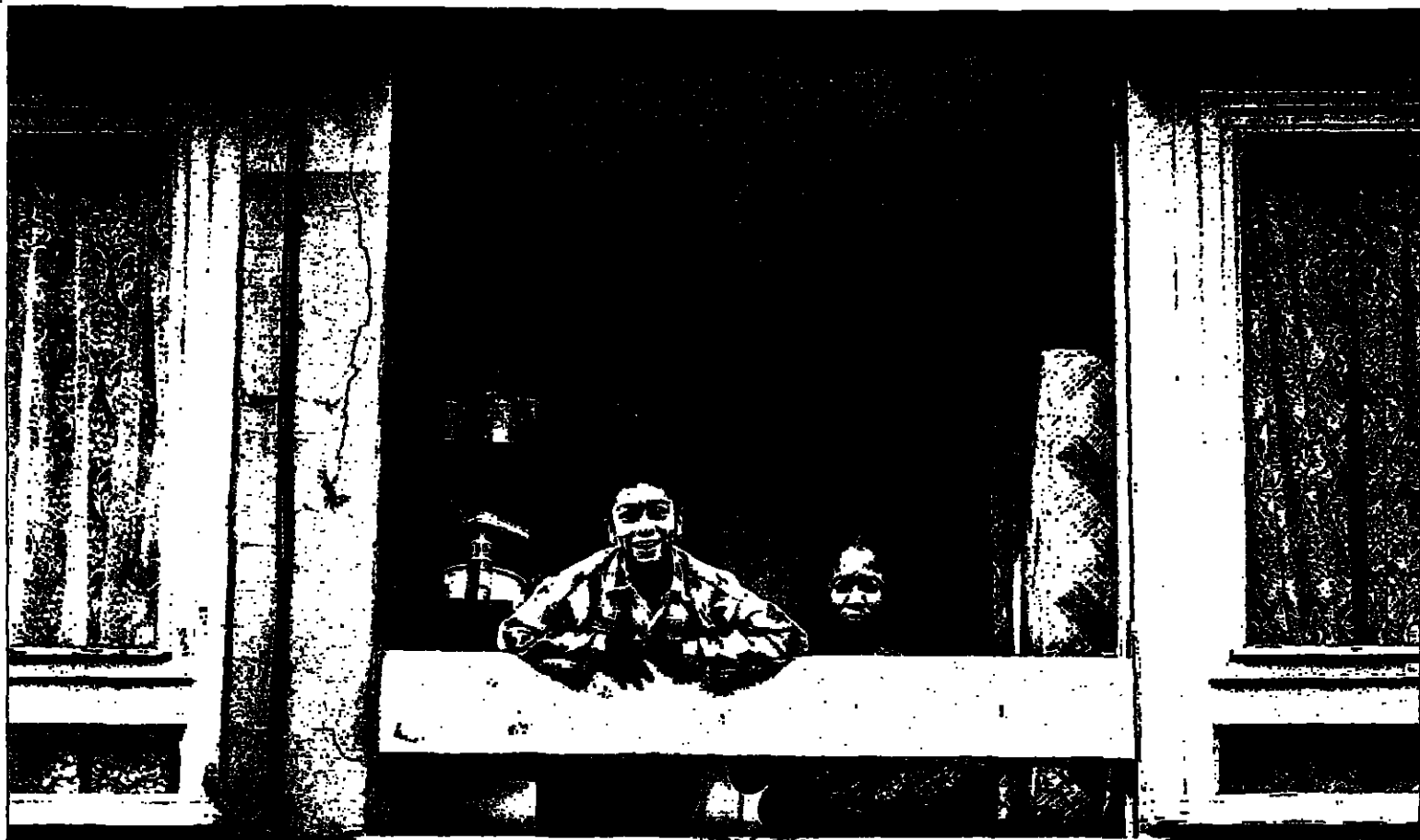


INVESTMENTS

K140

For your security and to assist us in improving our service to you we may record or monitor all calls to Abbey National Direct. This offer may be withdrawn at any time. No additional deposits will be accepted after the Bond is opened. No withdrawal or closure may be made from the Bond before 2.8.97. The Bond will mature on 1.6.2000. You may be able to register with us to receive interest gross, otherwise interest will be paid net of income tax at the prevailing rate. See leaflet for full conditions. Abbey National and the Umbrella Couple symbol are trademarks of Abbey National plc, Abbey House, Baker Street, London NW1 6XL, United Kingdom.

Offer valid until 1.5.00



New horizon: Residents of bomb-damaged Lantern House, which is to be demolished and replaced by low-rise flats. Photograph: Kalpesh Lathiga

Bomb-blast estate to get £6m aid package

ROS WYNNE-JONES

The Docklands council estate badly damaged by the IRA bomb attack in February is to receive £6m in government aid.

Details of the loan emerged as Michael Heseltine, the Deputy Prime Minister, pledged financial assistance to help rebuild the centre of Manchester in the wake of last month's IRA bomb attack.

The Docklands explosion caused serious damage to parts of the Barbantyne Estate, near South Quay. The £6m will go towards demolishing Lantern House, a 1960s council block, and building 40 low-rise flats in their place. An additional 49 new homes will be built on nearby sites made available by the London Docklands Development Corporation.

The four tower blocks on the estate, which suffered considerable damage, will also benefit from the money, which has

been awarded by the Department of the Environment. In addition, a small garden is to be developed "in recognition of the courage of local residents".

In the days after the bomb, residents of the Isle of Dogs complained that government attention was centred on repairing damage to the commercial buildings at the expense of local people who had seen their homes wrecked.

David Curry, the Housing Minister, said: "This additional money fulfils the commitment we gave immediately following the bombing, that the necessary funding would be made available to tackle urgently the bomb damaged blocks and accelerate the existing Estate Action scheme." The money will bring total government support for the national Estate Action scheme, which aims to regenerate rundown estates, to £30m.

A majority of local residents have still received no compensation or assistance from the government for damage to personal possessions, however. A handful have been offered loans by the Department of Social Security, which most have had to turn down because they cannot afford repayments. Stephen Molyneux, a local councillor, said: "It is a pity that the DSS have not shown the same spirit towards bomb victims that the Department of the Environment have shown."

Campaigners in Manchester and Tower Hamlets have suggested a central fund to cover future bomb damage, but Mr Heseltine last week ruled out blanket help for bomb victims. Announcing a £50,000 donation to the Lord Mayor's appeal to help Manchester cope with immediate problems, he said he had to make it clear the Government could not introduce a "post-hoc" insurance scheme. "If I were to do that no [business] would ever insure again."

G7 urged to unite against terrorism

COLIN BROWN
Chief Political Correspondent

A plan to establish "centres of excellence" in combating terrorism is to be put to a meeting of ministers from the world's top seven developed countries by Michael Howard, the Home Secretary.

Mr Howard said yesterday he will also call for extradition to be improved between countries, and for terrorists to be denied refugee status at the meeting of G7 ministers to be held in the wake of the IRA bombings in Manchester and Osnabrück, and the separate attack on a US base in Dhahran, Saudi Arabia.

Home Office officials said last night that the aim was to create a register so that countries can call on experts, such as Japanese security services who dealt with recent chemical attacks on their underground rail network by members of a religious cult.

The renewal of violence by the IRA is threatening to embarrass the Irish government, which takes over the presidency of the European Union today.

Andrew Hunter, chairman of the Tory backbench Northern Ireland committee, told Sky News that he would be urging the Prime Minister and Northern Ireland Secretary, Sir Patrick Mayhew, to consider the reintroduction of internment to combat the heightened threat from the IRA.

Mr Hunter admitted such a policy - which might involve internment of Sinn Féin members such as Martin McGuinness - would be counter-productive and added that the timing had to be right and there had to be public support for it. But he said: "I think you've got to say to yourself what is the lesser of evils: intruding, as some would argue, the rights of a minority, or protecting the majority against the threat of being killed or maimed by bombs."

The Irish Prime Minister,

John Bruton, and John Major are expected to intensify the security action against the IRA in the wake of the Osnabrück attack, and the killing of a Garda special branch officer in the Republic.

British intelligence sources warned ministers before the mortar attack on the Osnabrück base in Germany that the IRA is planning to mount a bombing campaign in another major British city.

Ministers believe the IRA may then seek to force Sinn Féin into the talks by calling a ceasefire. Mr Bruton made it clear, when he condemned the killings yesterday on the BBC's *Breakfast with Frost* programme, that the two governments would accept a ceasefire, but would require the Republicans to accept the six Mitchell principles, including renouncing violence, before Sinn Féin was admitted to talks.

The IRA's continuing campaign of violence was "utterly pointless and self-defeating", Mr Bruton said. "You will never unite people in any way by fighting, or by promoting fighting... That's something a six-year-old child understands, but unfortunately, the people who are pursuing this tactic don't understand."

He said Friday's assault on the Osnabrück army base was "appalling, when you think about the number of soldiers and their families, who are engaged in a peace-keeping exercise in Europe, how many of them could have been killed by this mortar attack".

He went on: "It's obviously a continuation of the campaign of violence by the IRA, and it is utterly pointless."

"They used violence for 25 years, and all they did was bring hardship on everybody, but particularly on the people who have supported them. It is a completely useless and self-defeating campaign."

Irish plans, page 10
Being Irish in Britain, page 14

Message to Fisheries Minister, Rt Hon Tony Baldry MP.

Regarding industrial fishing for sandeels on the Wee Bankie off the Scottish coast and other areas of the North Sea.

"Recognizing the importance of protecting the marine environment and conserving fish feeding, spawning and nursery grounds, the following organizations and individuals call on the UK Government to ensure that urgent measures are taken to control industrial fishing in sensitive areas."

Alex Falconer, MEP

Arbroath Fishermen's Association

David Bellamy

Fife Fisherman's Association

The Fishermen's Association Limited

Fishermen's Mutual Association (Pittenweem)

Friends of the Earth

Greenpeace UK

Jonathon Porritt

Marine Conservation Society

Royal Society for the Protection of Birds

The Salmon and Trout Association

Scottish Wildlife Trust

Tony Rice, Southampton Oceanography Centre

The Wildlife Trusts (Royal Society for Nature Conservation)

World Wide Fund for Nature

If you also support this statement, please call the Greenpeace campaign information line on 0171 865 8252.

Or write to the Fisheries Campaign, Greenpeace, Canonbury Villas, London N1 2PN.

CAR INSURANCE

Looking for the **LOWEST** premium?

ATLAS

Exclusive Road Atlas **FREE** with every quote

PHONE **FREE** **0500 333 600**

TO QUALIFY FOR YOUR FREE ROAD ATLAS PLEASE QUOTE REF 5465

LINES ARE OPEN Mon-Fri 9am-5pm, Sat 10am-4pm

DIAL DIRECT

هكذا من الاصل

news

Theory exam: Multiple-choice questions introduced today

First candidates sit written driving test

CLARE GARNER

From today, it will no longer be enough for learner drivers to show their examiner that they can drive. They will also have to prove that they know the theory by completing 35 multiple-choice questions.

The first candidates will today take the written test set by the Driving Standards Authority (DSA), and a week later, they will hear by post whether they have passed by getting at least 26 of the 35 questions right.

Until 1 January 1997, the practical test can still be taken first, but after that learners will

have to pass the written one, before booking for the driving part.

More than 3,500 candidates will take the written test - which costs £15 on top of the £28.50 fee for the old one - at 44 centres today and more than 8,000 will follow tomorrow.

There are over 60,000 bookings for the first fortnight and more than 88,000 for the first month.

In the most radical move in its 60-year history, the DSA has introduced the test in order to build up the "hazard-awareness skills" of young drivers. The 17- to 25-year-old age group is involved in 28 per cent of acci-

dents but accounts for only 16 per cent of all drivers.

However, a safety group warned yesterday that the new theory section, which replaces the Highway Code oral quiz, will not be enough substantially to reduce accidents involving young motorists.

A report from the Parliamentary Advisory Council for Transport Safety (PACTS) called for a comprehensive package of measures to improve training, including giving instructors more say in when a candidate is ready to take their test.

The 40-minute written test consists of 35 questions which

have been selected at random from a list of 600, based on the Highway Code. They range from the medical effects of alcohol, car maintenance, basic first aid and the punishments for driving offences.

It will be held at 139 centres nationwide, and be given to all 1.7 million car, motorcycle, bus and lorry drivers who apply for licences each year.

The DSA believes learners will sail through the test as long as they "prepare carefully and apply common sense". A spokesman said yesterday: "We are anticipating that there will be a better pass rate for the written test than there is for the practical test which is only passed first time by about half the candidates."

The British School of Motoring, Britain's biggest driving instruction company, was less hopeful. In mock tests of nearly 500 candidates only 30 per cent achieved the 75 per cent pass rate required and just one scored 100 per cent.

How well do you know the Highway Code?

Are you a good driver?

Three questions from the new test:

1. You are involved in an accident and are unable to produce your insurance certificate. You must report the accident to the police within: a) 24 hours; b) 48 hours; c) 5 days; d) 14 days

2. How can you best control your vehicle when driving in snow? a) by driving slowly in a high

gear; b) staying in a lower gear and gripping the steering wheel; c) driving in first gear; d) keeping the revs high and slipping the clutch.

3. By mistake you go past your motorway exit. You should: a) carry on to the next exit; b) carefully reverse on the hard shoulder; c) reverse in the left hand lane; d) make a U-turn.

Answers: 1 a, 2 a, 3 a.



Maritime revival: Little Mint, an 83-year-old Brbham fishing smack restored by John Sheppard of Sussex, dredging for oysters in Swansea Bay at the weekend. The oyster beds have lain fallow for 50 years. Photograph: Rob Stratton

New Savings Rates from the Bristol & West.

EFFECTIVE 1ST JULY 1996 (unless otherwise stated).
† Effective 9th July 1996. †† Fixed with effect from 1st July 1996 until 31st December 1996.

ACCOUNT	AMOUNT INVESTED	GROSS RATE OF INTEREST PA* (VARIABLE)	NET PA**	ACCOUNT	AMOUNT INVESTED	GROSS RATE OF INTEREST PA* (VARIABLE)	NET PA**
INSTANT ACCESS DEPOSIT				PREMIER OPTION BOND††			
£100,000+	3.00%	2.40%		Fixed Rate Option paying interest monthly, Issue 8.	£100,000+	5.08%	4.06%
£50,000+	3.00%	2.40%		£25,000+	5.08%	4.06%	
£25,000+	2.85%	2.28%		£5,000+	4.89%	3.91%	
£10,000+	2.55%	2.04%					
£5,000+	2.05%	1.64%		PREMIER TWELVE			
£2,000+	1.80%	1.44%		Variable (Issue 1) and Fixed (Issue 3)	£100,000+	5.70%	4.56%
£1,000+	1.60%	1.28%		Rate Options paying interest annually.	£50,000+	5.70%	4.56%
£500+	1.35%	1.08%		£25,000+	5.65%	4.52%	
£1+	0.20%	0.16%		£10,000+	5.65%	4.52%	
				£5,000+	5.65%	4.52%	
90 DAY NOTICE ACCOUNT				PREMIER TWELVE			
Interest paid annually.				Variable (Issue 1) and Fixed (Issue 3)	£100,000+	5.56%	4.45%
£100,000+	4.30%	3.44%		£50,000+	5.56%	4.45%	
£50,000+	4.15%	3.32%		£25,000+	5.51%	4.41%	
£25,000+	3.85%	3.08%		£10,000+	5.51%	4.41%	
£10,000+	3.35%	2.68%		£5,000+	5.51%	4.41%	
£5,000+	2.80%	2.24%					
£2,500+	2.50%	2.00%		PREMIER TESSA			
£500+	2.35%	1.88%		£50,000+	5.75%	4.56%	
				£25,000+	5.45%	4.37%	
90 DAY NOTICE ACCOUNT				£10,000+	5.45%	4.37%	
Interest paid monthly.				£500+	5.45%	4.37%	
£100,000+	4.22%	3.37%					
£50,000+	4.07%	3.26%		PREMIER RESERVE BOND			
£25,000+	3.78%	3.03%		£1,000+	5.55%	4.44%	
£10,000+	3.30%	2.64%					
£5,000+	2.76%	2.21%		SECURE INVESTMENT ACCOUNT			
£2,500+	2.47%	1.98%		(Issue 4).	£2,000+	6.20%	4.96%
£500+	2.33%	1.86%					
ONE YEAR OPTION BOND DEPOSIT				CHARITY ACCOUNT			
Variable (Issue 1) and Fixed (Issue 3)				£1+	2.60%	2.08%	
Rate Options paying interest annually.							
£100,000+	5.70%	4.56%		FULLY PAID SHARE			
£50,000+	5.70%	4.56%		(Rates also apply to Cheshunt Investment	£50,000+	2.18%	1.74%
£25,000+	5.65%	4.52%		Share, Cheshunt Clubs, Cheshunt Ex-Thrift	£25,000+	2.08%	1.66%
£10,000+	5.65%	4.52%		and Cheshunt Subs. Share, all no longer	£10,000+	1.79%	1.43%
£5,000+	5.65%	4.52%		available).	£5,000+	1.39%	1.11%
					£2,000+	0.90%	0.72%
ONE YEAR OPTION BOND DEPOSIT					£500+	0.25%	0.20%
Variable (Issue 1) and Fixed (Issue 3)					£1+	0.20%	0.16%
Rate Options paying interest monthly.							
£100,000+	5.56%	4.45%		SELECT			
£50,000+	5.56%	4.45%		(No longer available).	£50,000+	2.20%	1.76%
£25,000+	5.51%	4.41%			£25,000+	2.10%	1.68%
£10,000+	5.51%	4.41%			£10,000+	1.80%	1.44%
£5,000+	5.51%	4.41%			£5,000+	1.40%	1.12%
					£2,000+	0.90%	0.72%
TESSA TWO DEPOSIT					£500+	0.25%	0.20%
£5,000+	5.75%	4.56%			£1+	0.20%	0.16%
£2,500+	5.45%	4.37%					
£1,000+	5.45%	4.37%					
£500+	5.45%	4.37%					
PREMIER SAVER							
An instant access account for investors							
who limit their access over a 12 month							
period (No withdrawals).							
£100,000+	4.00%	3.20%					
£50,000+	4.00%	3.20%					
£25,000+	3.85%	3.08%					
£10,000+	3.35%	2.68%					
£5,000+	3.05%	2.44%					
£2,000+	2.80%	2.24%					
£1,000+	2.60%	2.08%					
£500+	2.35%	1.88%					
(No Withdrawals)							
£100,000+	3.00%	2.40%					
£50,000+	3.00%	2.40%					
£25,000+	2.85%	2.28%					
£10,000+	2.55%	2.04%					
£5,000+	2.05%	1.64%					
£2,000+	1.80%	1.44%					
£1,000+	1.60%	1.28%					
£500+	1.35%	1.08%					
(More than 6 Withdrawals)							
£100,000+	2.20%	1.76%					
£50,000+	2.20%	1.76%					
£25,000+	2.10%	1.68%					
£10,000+	1.80%	1.44%					
£5,000+	1.40%	1.12%					
£2,000+	0.90%	0.72%					
£1,000+	0.25%	0.20%					
£500+	0.25%	0.20%					
PREMIER PLUS CAPITAL ISSUE 1							
Three months notice required for							
withdrawal. Rates also apply to							
Guaranteed Investment Account Issue 5							
and Guaranteed Investment Account							
Extra Issue 1)							
£100,000+	4.30%	3.44%					
£50,000+	4.15%	3.32%					
£25,000+	3.85%	3.08%					
£10,000+	3.35%	2.68%					
£5,000+	2.80%	2.24%					
£2,000+	2.50%	2.00%					
£500+	2.35%	1.88%					
PREMIER PLUS MONTHLY INCOME							
ISSUE 1							
Three months notice required for							
withdrawal, and interest paid monthly.							
£100,000+	4.22%	3.37%					
£50,000+	4.07%	3.26%					
£25,000+	3.78%	3.03%					
£10,000+	3.30%	2.64%					
£5,000+	2.76%	2.21%					
£2,500+	2.47%	1.98%					
£500+	2.33%	1.86%					
PREMIER OPTION BOND							
Variable Rate Option paying interest six							
monthly, Issues A, B, C, D, E and F.							
£100,000+	4.90%	3.92%					
£50,000+	4.70%	3.76%					
£25,000+	4.45%	3.56%					
£10,000+	4.79%	3.83%					
£5,000+	4.60%	3.68%					
£1,000+	4.36%	3.49%					
PREMIER OPTION BOND							
Variable Rate Option paying interest							
monthly, Issues A, B, C, D, E and F.							
£100,000+	4.79%	3.83%					
£50,000+	4.60%	3.68%					
£25,000+	4.36%	3.49%					
£1,000+	5.20%	4.16%					
PREMIER OPTION BOND††							
Fixed Rate Option paying interest six							
monthly, Issue B.							
£100,000+	5.20%	4.16%					
£50,000+	5.00%	4.00%					
£25,000+	5.00%	4.00%					
£5,000+	4.75%	3.80%					

NOTICE FOR PREMIER OPTION BOND (ISSUE C) ACCOUNT HOLDERS

The Society is introducing revised Terms & Conditions to take effect from 1st August 1996. The purpose of this is to make Terms & Conditions easier for you to understand, and to clarify the circumstances in which future changes to Terms & Conditions may be made and when interest rates may be varied. A copy of the revised Terms & Conditions is available from any of the Society's branches or from Head Office.

BRISTOL & WEST

BRISTOL & WEST BUILDING SOCIETY

Please note that when you open a new account with us, you will be asked to complete a form which will contain details of your income and assets. This information is used to help us to assess your creditworthiness and to ensure that we are able to provide you with the best possible service. The information you provide will be held securely and will not be passed on to any other party without your consent. For full details of our Terms & Conditions, please refer to the booklet "Bristol & West Building Society: A Guide to our Services" which is available from all our branches.

Race for £2bn Nimrod contract enters last lap

COLIN BROWN
Chief Political Correspondent

British Aerospace is set to win a fierce lobbying battle at Westminster against GEC-Marconi, the British electronics giant, for a £2bn contract to replace the ageing fleet of 25 Nimrod maritime patrol aircraft.

Defence ministers rejected a last-minute appeal by GEC-Marconi for a 90-day delay with an offer to cut the price of their bid by £150m. "It looks like an admission of defeat," one Whitehall source said. "Winners don't cry foul." The decision is expected to go to BAE after a meeting next Thursday of the Overseas Policy and Defence (OPD) Cabinet committee chaired by John Major.

The battle has involved black propaganda, splits between Tory MPs, hints that the decision could help some Tory constituencies, and a desperate lobbying campaign to convince MPs that one project is more "British" than the other.

Intense lobbying has been going on for Orion 2000 - the bid

involving GEC electronics and planes supplied by the United States company, Lockheed; and Nimrod 2000 - the "cheap option" of refurbishing the old aircraft by BAE with new electronics by the US Boeing corporation.

BAE hired Hugh Colver, the former chief press officer at Conservative Central Office, to lobby MPs discreetly. GEC-Marconi hired APCO UK as public relations advisers, and installed simulators at an office block near the Commons to demonstrate the technology to more than 50 MPs.

Both sides competed with claims of the number of British jobs they would create. One side pointed out that two Cabinet ministers with GEC-Marconi plans nearby their constituencies - the Foreign Secretary, Malcolm Rifkind, and Ian Lang, President of the Board of Trade - were both on the OPD committee.

Orion 2000 claimed that it would provide 7,000 jobs in the United Kingdom; 50 per cent of the aircraft would come from UK firms and the Mission System Avionics - the electronic

"brains" - would be wholly from UK industry.

Nimrod 2000 claimed that 76 per cent of the work would go to British companies securing 10,000 high quality jobs. BAE has plants all over Britain, with jobs in north-west Lancashire constituencies - including Wyre, held by Keith Mans, the chairman of the Tory backbench defence committee.

Black propaganda circulating at Westminster included claims by MPs supporting the Nimrod 2000 bid that the GEC on-board computers would not communicate with each other, a charge totally denied by GEC.

Orion 2000 supporters rubbished the BAE bid proposing to refurbish the old Nimrods, which have been in service since 1969. They said it could be put into service again in 2001 with a lifespan of 25 years.

But the final decision may rest on the price. Nimrod 2000 is cheaper, but Orion 2000 offered a cash-back deal of £2.5m for the next 30 export orders, giving the Ministry of Defence £4bn on exports of 250 planes.

STROUD & SWINDON
BUILDING SOCIETY

INTEREST RATES

The following interest rates on our currently marketed investment accounts become effective from 2nd July 1996.

Product	Balance	Gross % rate	Gross % C.A.R. rate	Net % rate
TESSA				
with Annual Interest		5.70		4.56
with Monthly Income		5.56	5.70	4.45
BONUS 90*				
90 day	£50,000+	5.40		4.32
(Annual interest rates)	£25,000 to £49,999	5.10		4.08
	£10,000 to £24,999	4.90		3.92
	£5,000 to £9,999	4.75		3.80
* Rates shown include annual bonus (1.00% gross, 0.80% net)				
60 DAY ACCOUNT				
(Annual interest rates)	£50,000+	5.35		4.28
	£25,000 to £49,999	5.00		4.00
	£10,000 to £24,999	4.75		3.80
	£5,000 to £9,999	4.00		3.20
CLASSIC GOLD				
Instant Access	£50,000+	3.75		3.00
(Annual interest rates)	£25,000 to £49,999	3.55		2.8

Battle of the Somme commemorations: Veterans pay respects to comrades slaughtered 80 years ago as Portillo stays away

'What a waste. The biggest mistake ever'

PAUL TYSON

Veterans of the Battle of the Somme, where 200,000 British soldiers were killed in a single day, returned yesterday to the fields in which they fought, some for the first time in 80 years.

Five men who survived the carnage, the youngest is 100, visited the British cemetery at Arras and the battlefields where the cream of an entire generation was wiped out on 1 July 1916.

At 7.30 that morning after the German lines had been pounded for a week with one and a half million shells, more than 420,000 troops, most of them British, went over the top to launch the bloodiest battle in military history.

The Allies vastly outnumbered the Germans yet by nightfall the British alone had suffered 57,470 dead and wounded. The Germans lost just 185.

Most of the dead were volunteers who answered Kitchener's call to arms fight for their country and were sent into battle with a bare minimum of training.

Donald Hodge, 101, from East Storrington, west Sussex, said: "The last thing I thought about before the war was joining the army, the old regulars were a bunch of scallywags. But when the call came, it seemed the right thing to do."

"We had no uniforms or any equipment for months, and we lived in tents because there were no huts to put us up in."

"My memories of the Somme are very mixed. Everything was haywire. We were playing it by ear. The German Chiefs of Staff were cleverer than ours

and they had deep dug-outs so most of our bombardment had no effect."

"The first week of July was a wholesale slaughter, no end of my friends died. The bodies were piled up high."

"We were young and fit and we took it all in our stride. Whatever the orders were, we just obeyed them, that's how we were then."

Mr Hodge, who was in the Royal West Kent Regiment, added: "I feel it is a duty to come back. I must come back for the sake of my friends who lie here. It could so easily have been me instead of them."

"We were very, very close, we trained together, we marched together, we fought together, we were closer than brothers but you learned to lose friends without unduly grieving, otherwise we would have gone mad."

Mike Lally, 102, from Salford, Greater Manchester was visiting his older brother James' grave yesterday for the first time. "That's the reason I came over this time, to find my brother's grave," he said.

"Our mother used to visit it every year but she never would tell us where it was. She never used to talk about it."

The First World War Veterans' Association, who brought Mr Lally and 12 other veterans back to France, traced the grave through the War Graves Commission and Mr Lally held onto his son's arm and broke down in tears as he stood before the simple white headstone.

Afterwards he said: "All them years I had never seen it." Looking around at the rows of neat white gravestones in the British cemetery near Arras on the Somme, he added: "All

them lives. What a waste. It was the biggest mistake ever. They threw so many men into that battle, it was a complete waste."

Norman Booth, 100, from Golcar, near Huddersfield a 1914 volunteer with the Duke of Wellington's Regiment, said: "They're shocking, my memories of the Somme. I thought it was a disgrace that they should lose all those men in one day."

Mr Booth, awarded the DSM and Bar, added: "To see all those lads slaughtered in that swamp, it broke my heart. It made me very angry. It still does."

The years have clearly done nothing to assuage the anger felt by many of the veterans who saw so many of their contemporaries perish. Tom Brennan, 100, a gunner, who now lives in a Liverpool nursing home, said of the first day of the Somme: "I went up there that evening and you could hardly see the ground for the dead."



Call of duty: Donald Hodge, 101, of Seaford, Sussex, will be in France today for the 80th anniversary of the Somme

Photograph: John Connor



Over the top: The first day of the Battle of the Somme cost 57,470 British lives. The Germans lost only 185

Ministers attacked for 'poor show'

The Government and Ministry of Defence were under fire from veterans for their "poor show" at today's service to commemorate the Battle of the Somme, writes Paul Tyson.

Both John Major and Michael Portillo, Secretary of State for Defence were said to be "too busy" to attend the ceremony in Thiepval this morning where Somme veterans will gather to remember the dead of the bloodiest battle in British military history.

Baroness Thatcher told the *Sunday Telegraph* that she found it "completely incredible that a

British defence minister should not personally represent the armed forces". Instead, Sir Patrick Mayhew, the Secretary of State for Northern Ireland, will represent the Government.

Ted Rimmer, 97, who fought in France with the King's Liverpool Regiment from 1917, said: "I think they should have sent someone important, the Home Secretary made it to Dover to see us off so why couldn't he make it over here?"

"It is a unique occasion isn't it? I think it's a poor show. I can't say I'm angry, I'm more disappointed than angry."

Steve Goodwin, Chairman of the First World War Veterans Association said: "To the Veterans themselves it is more important that their friends and families are around them."

"We would agree that if the Government are going to send somebody it should be somebody important. We have rescued a lot of these men from obscurity and a lot of them will be going back to live on their own or in nursing homes and for one or two in poverty."

"Those are the matters that should be addressed rather than whether we get a hand-

shake or two from a member of the Government."

Others were more forgiving. Donald Hodge, aged 101, said: "We didn't ask for any rewards at the time and we're not going to ask for them now."

I have some sympathy with what Baroness Thatcher said but we don't expect a fuss."

Told the next official anniversary was in 2016, he added: "Well, I always live in hope."

An Ministry of Defence spokesman said: "Apparently it is usual that only the 50th, 75th and 100th anniversaries are official commemorations."



Two things you're guaranteed to see every day in the Arizona sky.

From 1st July, British Airways are introducing a daily London Gatwick-Phoenix-San Diego service. For more information, see your travel agent or call 0345 222111.

BRITISH AIRWAYS

The world's favourite airline

From 27th October, flights are 4 times a week. All flights go to Phoenix Sky Harbor International Airport.

news

Safety worry as 'no-frill' airlines take off in UK

The recent passengers' revolt on two Excalibur Airlines flights and the subsequent liquidation of the airline has raised safety fears over the cheap end of the air-travel market.

There is unease in some quarters over the launch of no-frills cheap airlines such as Easyjet and Debonair which offer much cheaper fares than their more conventional rivals. On Debonair, for example, you can fly to Barcelona for £99 return, including airport tax. Easyjet offers £29 one-way fares to Glasgow (although there are few seats at that price and, depending on availability, you have to pay £39, £49, or £59).

The airlines use older aircraft, leased rather than owned, and have done away with such extra costs as food and drink. Costs are kept to a minimum by having no tickets and computerised booking systems which require few staff.

Charter firms have offered cheap fares for decades, but the entry of these new no-frills carriers into the scheduled market is a new test for the Civil Aviation Authority. Some critics argue that the authority should not be responsible for both commercial promotion and regulation of the airline industry.

The CAA argues that there is no problem with safety. It points to the fact that airlines operating out of the UK have

Christian Wolmar reports on the arrival of cut-price carriers

to be licensed, the aircraft have to have certificates of airworthiness and the maintenance firms have to be CAA approved.

There is no equivalent in the aviation industry to "flagging out", the use by shipping companies of flags of convenience, which allow them to use cheaper foreign crews. Pilots for British airlines have to be licensed by the CAA and are subject to regular fitness tests. The CAA points out that the same rules are applied whether the airline is Easyjet or British Airways.

In fact, there is some irony in the fact that BA was the company that maintained Excalibur's two ageing DC10 aircraft.

Both Easyjet and Debonair use old aircraft (Boeing 737 and BAe 146s respectively) but the two are long established with good safety records. While there is some evidence that older aircraft are less safe, the difference is marginal.

Indeed, while the CAA says it treats all airlines equally, there is some suspicion from within the industry that Excalibur had been targeted for special attention because of concern over its financial viability. While the safety incidents may have contributed to its

collapse, the main reason appears to be fierce competition on its principal route, charter flights to Florida, which has an enormous amount of overcapacity.

Despite the CAA's lack of concern, some air industry watchers are worried. Jeff Gazzard, one of the leaders of the campaign against a second runway at Manchester Airport, accepts that the CAA's procedures are generally tight but feels that they have a confused regulatory role. "The CAA has a duty to both promote the air industry and to ensure it is safe. There can be a conflict there."

Mr Gazzard points to the similar situation in the USA where the new no-frills company, ValuJet, grew very fast as a rival to established airlines and within less than three years of its creation operated 50 jets across the US. The crash in Florida in May which killed 110 people was probably not the airline's fault as it appears to have been the result of a fire caused by inflammable cargo in the hold, but it led to an investigation of the airline which revealed serious deficiencies in maintenance procedures and the subsequent grounding of the airline.



Looking for clues: Investigators searching the area of Everglades swampland where the ValuJet plane crashed in May, killing 110 people

TEC chiefs attack benefits system

ANTHONY BEVINS
Political Editor

The social security system acts as a deterrent to training and "rewards passivity", ministers have been told by leaders of the government-sponsored Training and Enterprise Councils.

Stephen Byers, Labour's employment spokesman, said yesterday that he had received a leaked copy of a TEC briefing paper for a meeting between their national council and James Paice, the Employment minister, earlier this month.

The paper said: "Whilst there have been improvements in the performance of programmes such as Training for Work, TECs are aware that there remain a number of barriers to tackling the problems of particularly the long-term unemployed."

It said that those barriers included: "The operation of the benefits system which acts as a disincentive to individuals to undertake training and rewards passivity."

The TEC national council told the minister that there was "insufficient opportunity for meaningful work experience, which unemployed people say they want."

It also claimed there was a lack of effective guidance and advice; no integration of resources; and a "lack of a strategic approach at national and local level which means that re-

sources are dissipated and efforts duplicated."

Presenting an analysis of government training programmes that could have been written by Labour or the Liberal Democ-

The council wanted a more effective and innovative use of existing resources, and a "contract" between employers, the Government and the unemployed. "The contract must be one based on entitlement through a clear and deliverable guarantee of a job with skills, in return for active engagement on the part of the unemployed," the council said.

Mr Byers said yesterday: "This represents a damning indictment of the Government's whole approach to the unemployed."

It is clear that the benefits system presently acts as a disincentive for individuals to undertake training.

"What is needed is a comprehensive strategy under which the benefits system actively encourages the unemployed to take up training opportunities and update their skills."

The TEC paper also carries a warning about the social consequences of doing nothing about the problem, saying: "TECs recognise that however well the economy performs in the years to come, there are likely to be persistent high levels of long-term unemployment for the foreseeable future."

Associated with this is the risk of the development of an underclass that will be unable to benefit from economic growth and improving employment prospects when they occur."

Stephen Byers: Has copy of leaked briefing paper

rats, the TEC leaders said: "A system of high quality support which links long-term unemployed people with employers and provides opportunities to develop skills on the job is needed."

Among the TECs' concrete proposals was a call for an integration of different budgets, a review of social security rules that inhibited people who wanted to train, and the possible transfer of benefits to help finance a range of training measures for the unemployed.

Danish fleet retreats in fish battle

A renewed battle between Greenpeace protesters and Danish fishermen ended last night after the Danes appeared to pull out of waters off Scotland's east coast.

According to Greenpeace, the trawlers decided to withdraw while a complaint to Scottish fishery protection officials that they were being prevented from fishing was dealt with.

Spokesman Phil Aikman, aboard the Greenpeace vessel *MV Sirius*, said nine fishing boats had left an area 25 miles north-east of Dunbar, and protesters were checking to see if they had moved on to other fishing grounds.

The battle, over allegations that foreign trawlers were "hoovering" the sea-bed, resumed earlier yesterday when Greenpeace returned to the area from which activists said they had been chased on Friday by Danish boats fishing for sand-eels.

Leading environmental groups have joined forces with fishermen's organisations in a call for action on industrial fishing. In a statement in today's *Independent*, the alliance urges Tony Blair, the Fisheries Minister, to protect the marine environment on the West Bank off the Scottish east coast and other areas of the North Sea.

The statement says: "Recognising the importance of protecting the marine environment and conserving fish feeding, spawning and nursery grounds, we call on the UK government to ensure that urgent measures are taken to control industrial fishing in sensitive areas."

The advertisement coincides with an eight-week battle between Greenpeace and a fleet of Danish vessels off Scotland's east coast in which protesters have been trying to stop the fishing of sand-eels.

Dolphins, Minke whales and seabirds depend on these sand-eels. This area is their feeding ground," said Chris Rose, of Greenpeace. "The vessels also catch baby haddock and cods which they don't need anyway. Fishermen are dependent upon these fish. So apart from endangering the environment, these vessels are also threatening the business of fishermen."

The alliance also includes Friends of the Earth, RSPCA, The Wildlife Trust, Alex Falconer MER and several Scottish fishing associations.

A naval fishery protection vessel patrolling the area had earlier sought an assurance from the demonstrators that they would keep two miles clear of the Danish boats, said Mr Aikman. But activists replied that they intended to continue "non violent direct action".

Before the Danes moved out, Greenpeace said it had two inflatables trying to prevent any vessel from setting its nets, but the *Sirius* stayed two miles away from the inflatables. Greenpeace claims that legal "hoover-type" fishing, mainly by Danes, threatens a major feeding area for commercial fish stocks, birds and dolphins.

Airports win their wings for food

Airports now offer some of Britain's best food, according to a new report by Egon Ronay. The food critic says some of the dishes served at Heathrow, Gatwick and Edinburgh rank with the finest available in London.

According to the report: Breakfast at Harry Ramsden's fish and chip restaurant at Heathrow is as good breakfast at Claridge's.

The fruit slice at Metro in Gatwick south terminal compares with the pastries at the Café Royal.

Doughnuts at the Upper Crust in Edinburgh are as tasty as doughnuts at Harvey Nichols. More than four years ago the British Airports Authority commissioned Mr Ronay to raise the standard of food and catering at its seven airports.

Inspectors test the quality of all food and drink at the BAA's 130 restaurants and snack bars at least once a month, and Mr Ronay says there has been a steady improvement in the quality of catering. Earlier this year he compared

food and drink at Heathrow, Amsterdam, Paris and Frankfurt and said the British airport was streets ahead. "These exceptional results are an indication that the sustained effort of four-and-a-half years has borne fruit," he said. "The majority of the 130 restaurants have improved remarkably."

Catering outlets are given marks for quality, service and style under the testing system. The best earn an "exceptional" mark of three chef hats for quality which they display.

Mr Ronay yesterday called for managers at restaurants such as McDonald's and Little Chef's personally to taste food before they offered it to the public. Mass catering was probably the only industry where a final quality check before sale was not mandatory, he said.

Writing in a new brochure to be available at airports, he said: "Some catering bosses on top wear blinkers made of balance sheets. It's the management who must make the quality check, not the public."

Direct Line can help make your savings grow.

	£500-£2,499	£2,500-£4,999	£5,000-£9,999	£10,000-£24,999	£25,000-£49,999	£50,000-£99,999
Direct Line Instant Access Account	4.50%	4.50%	4.75%	5.50%	5.65%	5.75%
Halifax Solid Gold (90 Day Notice)	3.05%	3.05%	3.35%	4.10%	4.60%	4.85%
Woolwich Premier 90 (90 Day Notice)	N/A	N/A	3.50%	4.15%	5.00%	5.25%
Yorkshire Building Society Key 90 Plus	N/A	N/A	N/A	4.20%	4.65%	5.15%

All rates are gross. Direct Line rates correct at 1st July 1996. Other rates shown are correct at 26th June 1996 and may be subject to change.

Are your savings growing too slowly? Then you should be saving with Direct Line. Take a look at the table and you'll see that our rates are higher than these building society 90 day accounts. What's more, with Direct Line you don't have to give 90 days notice because we offer instant access. So if you want more money for your money you know who to call.

0181 667 1121

0161 833 1121

0141 221 1121

LONDON

MANCHESTER

GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday. Please quote ref. IND13

Direct Line is a member of the Direct Line Financial Services Limited, 200, St Vincent Street, Glasgow, G2 8SP, a member of the Deposit Protection Scheme established under the Banking Act 1979 (as amended). Participants under the scheme are limited to 90% of a depositor's total deposits subject to a maximum payment to any one depositor of £10,000 (or £20,000 if covered by the scheme). Further details of the scheme are available on request. This guarantee is the only one without the deduction of income tax. All rates shown are subject to variation and are based on annual payments of interest. For your added security, all telephone calls will be recorded and the recording kept secure. We may also monitor telephone calls with the aim of improving our service to you. Direct Line and the red telephone on wheels are the trade marks of Direct Line Insurance plc and used with the permission of Direct Line Insurance plc.



DIRECT LINE
SAVINGS

Russian election run-off: Doubts over his health prompt president to step back into limelight

Yeltsin takes a tough stance to woo voters

TONY BARBER
Moscow

After disappearing from sight on the eve of Russia's presidential election, Boris Yeltsin sought to dispel doubts about his health yesterday with a lengthy interview full of calculated appeals to both nationalist and liberal voters.

The interview, published by the Interfax news agency three days before Wednesday's second round of voting in the presidential elections, was notable for the tough line taken by the President on relations with Nato, the Baltic states and Japan. Warning Nato not to expand its influence over Estonia, Latvia and Lithuania, Mr Yeltsin said: "To anyone who has doubts, I want to say that Russia is not going to leave the Baltic, and we will strengthen and develop our military base in Baltiisk [in the Kaliningrad enclave]. Peter the Great did not open a window to Europe and reach the Baltic region just for us to board it up."

He also warned against attempts to change the status of the Turkish-controlled straits joining the Black Sea and the Mediterranean, saying: "Russia will react strongly to attempts to turn the Black Sea into yet

another bridgehead for the Nato fleet and non-Black Sea states." In what looked like an overtone to nationalist voters in the Russian Far East, he said Russia rejected Japan's claims to the Kurile Islands, occupied by Soviet forces at the end of the Second World War.

He told Interfax that once the election was over he would make his first visit as President to the Kuriles. Such statements, stressing Russia's role as a great power, appeared to be aimed at Russians who voted in the first round last month for Alexander Lebed, the retired general who later received two powerful national security posts in the presidential administration, or for Vladimir Zhirinovskiy, the ultra-nationalist.

But Mr Yeltsin also took care to woo supporters of Grigory Yavlinsky, the liberal economist, saying he should play an important part in forming the next government.

The President was last seen in public on 26 June, when he greeted military academy graduates in the Kremlin and toasted them with a glass of vodka. His campaign team attributed his subsequent absence to a busy schedule of speeches and interviews which caused him to lose his voice.

Gennady Zyuganov, his Communist opponent on Wednesday, tried to extract maximum capital from Mr Yeltsin's withdrawal from the public stage. "At 65, after two serious heart attacks, you can't be in good health," he said.

Adding to the atmosphere of pre-election confusion, Mr Lebed announced yesterday that he wanted to recreate the vice-presidency in Russia - a job that Mr Yeltsin abolished in 1993 after its then incumbent, Alexander Rutskoi, participated in an armed uprising against him.

Mr Lebed, who clearly sees himself as Mr Yeltsin's natural successor, said: "We need this post and a person who would assume constitutional powers and take political and even military decisions."

Eleven foreigners were expelled and 28 Russian citizens were arrested on spying charges last year, AP reports. President Yeltsin said that, in 1995, Russia's security services thwarted 67 attempts to pass secret information, presumably to foreign intelligence organisations.

"Eleven agents of foreign intelligence services who had worked under the roofs of their embassies were caught red-handed and ousted from Russia," the President told Interfax.



Ahead of the times: A Yeltsin supporter proclaims his allegiance at an election rally in Moscow; the second round of voting takes place on Wednesday. Photograph: AFP

Plain-speaking son of a rough Russian city

Helen Womack visits Tula, the adopted town of General Alexander Lebed (below)

Tula — "Anyone who doubts that Russia has her own special path should try travelling on our roads," said the nationalist retired general Alexander Lebed during his election campaign.

Indeed, the road to Tula is strewn with fairy lights to celebrate the 60th anniversary of the founding of Russia's notorious bribe-taking traffic police. But directional signs are few and far between and, a mere 100 miles south of the capital, you can easily lose yourself on roads that start out covered with asphalt and quickly deteriorate into dirt tracks.

General Lebed, Tula's adopted son, came third in the first round of the presidential election and now plays a pivotal role in deciding the future of the country. Nationwide, General Lebed took nearly 15 per cent of the vote on the 16 June, but Tula gave him an impressive 25 per cent. This was because of his long association with the city, famous for manufacturing arms and samovars.

Alexander Lebed was born in 1950 in the region of the Don Cossacks, but, after serving in Afghanistan, he came to Tula to command the paratroop division which is based here. Last December, he was elected to the State Duma as Tula's constituency MP.

The Tula region, where the author Leo Tolstoy had his estate, stands halfway between Moscow, which has benefited most from President Yeltsin's market reforms, and the "black-earth" farming zone running down to the Ukrainian border, where the Communist leader Gennady Zyuganov can count on his strongest support.

Here, General Lebed's philosophy of economic freedom but strict law and order appears to have found a particular resonance. The paratroopers of Tula have voted en masse for their former commander, who is respected in the army for his



professionalism and plain talking. But many civilians also chose him because they believed he offered a third way between the anarchy of Mr Yeltsin's rule and the defeat of retreat towards Communism. The Yeltsin years have hardly changed the face of Tula, which still looks like any one of a hundred Soviet cities with its regional administration block and statue of Lenin in the cen-



tral square. A few kiosks selling low quality imported goods are the only achievement of four years of capitalism. Few, in any case, can afford to shop there. "Conversion has been very patchy," says Konstantin Leonov, deputy editor of the local newspaper *Molodot Kommunar*, who combines his journalistic work with acting as General Lebed's spokesman in the region.

"The workers in the arms factories used to be the elite of the working class. They have not taken kindly to making pots and pans for lower wages."

Another category of Lebed supporters are women, frightened by the crime wave which has accompanied the freeing of the market. It is no secret that guns can be bought at the back doors of Tula's factories. Mafia gangsters come here to arm themselves. The city is, in the current Russian slang, "krutai" (rough).

Fear of crime prompted Antonina Vladimirovna to vote for General Lebed in the first round and she will heed his call to support Mr Yeltsin now. "Lebed is a really honest man. It's hard to trust anyone in politics but I do trust him," she declared, as she presided over the samovar in the station buffet. But General Lebed has lost

SIGNIFICANT SHORTS

Costas Simitis, the man who took over from Andreas Papandreu as Greek Prime Minister six months ago, consolidated his grip on power yesterday when he was elected leader of the ruling socialist party, Pasok, at the end of a bitterly contested party congress.

Mr Simitis had to grapple not only to win the support of the 5,000 delegates present, but also to overcome the emotional impact of Mr Papandreu's death a week ago. The 60-year-old premier had been an outspoken critic of the absolute authority that Mr Papandreu wielded over both party and government, in complete contrast to his rival for the leadership, the staunch Papandreu loyalistakis Tsachatzopoulos.

In the end, Mr Simitis carried around 55 per cent of the congress — enough to assert greater authority over government policy after six months of virtual paralysis, but too slim a margin to ensure party unity from now until the general election which must be called within the next 16 months. His victory was likely to please Western governments who see him as the best man to bring Greece closer to Europe and patch up the country's perennial disputes with its neighbours, especially Turkey.

Andrew Gumbel

The shadow of outgoing President Joaquín Balaguer hovered over yesterday's Dominican Republic election as voters chose between two candidates in a second-round run-off. Thanks to the machinations of the octogenarian Mr Balaguer, the man who finished a distant second in the first round on 16 May, Leonel Fernandez of the Dominican Liberation Party, may find himself president-elect today.

Mr Fernandez finished seven points behind José Francisco Peña Gómez of the Dominican Revolutionary Party in the first round, with Mr Balaguer's own candidate a distant third. The two-man run-off was called because Mr Peña Gómez fell short of 50 per cent of the vote.

Claiming that Mr Peña Gómez, who is black, is of neighbouring Haitian origin, Mr Balaguer then overturned decades of enmity with the Liberation Party and called on his own supporters to vote for Mr Fernandez. That could swing the vote in his favour. Mr Peña Gómez says the deal would effectively make Mr Fernandez a puppet of Mr Balaguer, who is to hand over power next month. Phil Davison

President Bill Clinton led memorial services for 19 "quiet American heroes" killed by a bomb in Saudi Arabia, and urged mourners to put aside anger at the attackers to honour the victims. "These men represented the best of America, and they gave America their best," Mr Clinton said.

With 11 wounded victims of the blast, some of them in wheelchairs or on stretchers, given front-row places of honour, Mr Clinton led public mourning for the loss of those "we will remember ... as patriots."

On Saturday, 43 wounded United States airmen who survived last week's blast in Dhahran were brought to Eglin Air Force Base, many of them on stretchers or in wheelchairs. Authorities have been reassessing security procedures in the wake of the bombing, which had the force of about 1400 kg of explosives.

Reuters — Eglin Air Force Base

At least 18 people were killed and 10 wounded in Medellín, Colombia, when gunmen opened fire near a bus station.

Several armed attackers in two vehicles apparently shot indiscriminately toward people near the station, located in the city's Belén neighbourhood.

"The massacre was the worst single attack in recent years in Medellín, a city of two million that is frequently hit by both drug and rebel-related violence."

AP — Medellín

A wolf believed to have killed at least 18 children over the past two months has been shot dead by authorities in northern India. The wolf was one of a pack of four spotted by police and marksmen hunting for the mysterious child-killer, which has terrorised a large section of Uttar Pradesh state.

Authorities and residents had described the killer variously as a hyena, wolf and as deranged criminals looking for kidneys.

Some villagers described the murderer as a man-like beast who drove a white van, looked like a pig and could fly. Reuters — New Delhi

Renewing your home insurance in July or August?

If you're 50 or over, just see how much you could save with Saga - call us NOW

You will know how expensive home insurance can be - thankfully, if you are aged 50 or over you can benefit from SAGA Home Insurance - a superior home-contents insurance that is only available to mature, responsible people like you.

SAGA Home Insurance can offer you genuine savings over other policies, while giving you cover that fully protects your home and possessions.

The Saga Price Promise If you find another comparable policy at a lower price within 2 months of taking out SAGA Home Insurance, we will refund you the difference.

SAGA
Services Ltd

Saga Services Ltd, FREEPOST "31"
Maidenhead, Berkshire, RG1 1LZ

Saga Services Ltd would like to send you information about services provided by other Saga companies and may pass details to these companies to enable them to do so

And why not ask us about our competitive MOTOR INSURANCE



- Insurance cover is comprehensive and low cost.
- Discounts for home security.
- Free pen with your quotation.

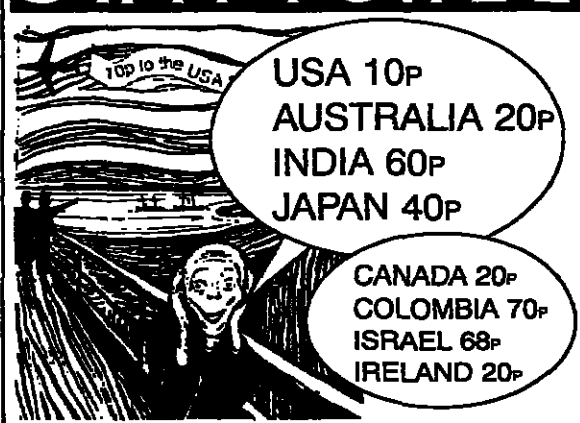
Call us today

For your free no obligation quote simply call us on the number below. We will be pleased to answer any questions you have on SAGA Home Insurance.

0800 414 525
ext.3518

Lines open Monday to Friday
9am - 6pm, Saturdays 9am - 1pm

SWIFTCALL



USA 10p per min

Swiftcall's easy instant connection From home, office, hotel, and public pay phone even from your mobile

Call now
0800 279 0800
(outside UK +44 171 488 2001)

OUR LIVE OPERATORS ARE STANDING BY
24 HOURS A DAY 7 DAYS A WEEK
Absolutely no hidden charges

- 10p per min USA
- 20p per min AUSTRALIA CANADA IRELAND
- 40p per min JAPAN HONG KONG TAIWAN
- 60p per min INDIA SOUTH AFRICA BRAZIL
- Free access to exchange
- All inclusive prices
- And the best rates on 100's more countries
- £25 buys you over 4 hours of talk time to the USA

Please have your Credit Card ready. These new prices and free access to our exchange will be available from 24th July 1996

1 Call the TSB Mortgage

QUOTATION LINE.

2 Go hunt that house.

Find out what you can borrow, BEFORE hunting.
The call is free, the quote is free, so why not ring TSB PhoneBank for more information quoting reference IH1.

CALL FREE **0500 758 000**

Mortgages

Calls to PhoneBank may be recorded and monitored. A TSB cheque account is required. Assignment/assignment of a suitable life policy may be required by the Bank as security. Applicants must be aged 18 or over. All loans subject to status. Not available in the Channel Islands. Written quotations are available on request by calling 0500 758 000. TSB Bank plc and TSB Bank Scotland plc (regulated by NRO and SFA) are representatives of the TSB Marketing Group which is regulated by the Personal Investment Authority only for TSB life insurance, pensions, unit trusts and offshore investments. Advice or recommendations relate only to the investments of that Group. TSB Bank plc, Victoria House, Victoria Square, Birmingham B1 1BZ. Registered in England and Wales. Number: 1089268. TSB Bank Scotland plc, Henry Duncan House, 120 George Street, Edinburgh EH2 4LH. Registered in Scotland. Number: 92327.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT

TSB We want you to say YES

حکذا من الاجل

international

Bruton sets out Irish strategy for leading EU

SARAH HELM
Dublin

John Bruton, the Irish Prime Minister, is launching a new marketing strategy for an old product. The product is called "Europe" and Mr Bruton knows it is going to be a hard sell.

Consumer confidence in the product has been ebbing of late. "Most people haven't a clue what Europe is trying to achieve," Mr Bruton told journalists as he set out Ireland's programme for its six-month rotating European Union presidency, which starts today.

It is vital, he said, to "bridge the gap" between the leadership of the EU and its citizens. Mr Bruton conceded that the task would be long and hard. But he announced a new slogan as the centrepiece of his campaign: "Secure peace, safe streets, solid money and secure jobs." His new theme is "memorability", because "people can only recall four things at once."

The question is whether Mr Bruton's campaign strategy for Europe contains anything new. Ireland takes over the presidency of the EU at a testing time. Just a week ago Europe's heads of government were desperately trying to patch over divisions caused by the beef war, and it will be Ireland's aim to ensure that the aftershocks of the crisis do not continue to undermine progress on Europe's bigger projects.

By December, Mr Bruton hopes that member states will have agreed a draft treaty on how to rebuild Europe's institutions in the negotiations of the inter-governmental conference (IGC). The Irish also expect to preside over the first serious estimates of which countries will be ready to join European Monetary Union. In December member states will produce their own economic forecasts for 1997, thereby indicating whether they expect to meet the Maastricht criteria to qualify for the launch in January 1999.

While steering Europe's en-

gine of integration steadily onwards, Mr Bruton has chosen the additional role of bringing the aims of the Union back into focus for its citizens. His strategy may be glossier and snappier, but its message appears to contain little that is new.

"Secure peace" is a slogan which will have little meaning for most Europeans, whose closest experience of war in recent times has been the conflict



John Bruton: Determined to bridge gaps within the EU

in the former Yugoslavia which the EU was unable to avert. "Safe streets" is intended to inspire the citizens with confidence that the EU is now playing a prime role in combating drugs and international crime. But promises of a new "war on drugs" are likely to ring hollow when the debate reverts to an arcane institutional wrangle over how to give the Brussels institutions more power over justice and home affairs.

"Solid money" is a slogan which attempts to boost confidence in the coming of the euro. But European citizens so far remain unconvinced of the euro's "solidity" and are unlikely to be won over without more convincing proof of the benefits of the single currency. "Secure

jobs" is a slogan which has been shouted from the European rooftops for many years. Every EU summit in recent times has been presented as a "summit for jobs".

Mr Bruton concedes that the slogan is little more than an attempt to focus Europe's values, and does not offer any meaningful answers to the problems of unemployment. He hopes that a new chapter on employment will be inserted into Europe's new treaty during the IGC. But he said last week: "I cannot think of anything which we cannot already do under existing EU law on employment. But we need new political focus."

Ireland is well-positioned to be the country promoting new confidence in the European Union. It likes to boast that it is the most enthusiastic country about Europe in the Union. The causes of this enthusiasm lie all around, as signs pop up proclaiming that roads, bridges and factories have been built thanks to EU regional aid fund.

European Union membership is partly the cause for Ireland's successful economy which is likely to steer it towards membership of the first wave of countries in the single currency. However, even the Irish may not be entirely convinced by Mr Bruton's new campaign.

On the horizon looms the prospect of the enlargement of the Union, whereby Eastern European countries will be given membership, expanding the union to up to 27 members. Ireland can only lose during this process, as the EU cake is carved up once again and funds flow out to the poorer cousins to the East.

Over the next six months the Irish presidency will battle to shore up the rights of smaller countries when the process of enlargement gets under way. But all the signs are that regaining popular confidence in the European product is set to get harder. Mr Bruton's hard-hitting slogans seem unlikely to be enough.



Seeking dignity in death: Paul O'Grady's advocacy of voluntary euthanasia has brought the issue to public attention. Photograph: AP

Australia hails courage of politician's declaration

LOCAL HEROES

No 23: Paul O'Grady

When he resigned suddenly as an MP in January, rumours about Paul O'Grady began flying. The 35-year-old Labor Party member of the New South Wales state parliament had achieved something of a celebrity status six years earlier when he publicly declared that he was a homosexual. Plenty of other prominent Australians have "come out": actors, writers, lawyers, academics and one of Sydney's most prominent rugby league stars, who did so recently on a popular television sports programme, *The Footy Show*.

But Mr O'Grady is the first Australian politician to declare that he is gay. Last week, he resurfaced after disappearing from public view for six months to confirm what the rumour-mongers had been suggesting: he has AIDS. He chose television to make his latest announcement, on a current affairs programme, *Witness*, hosted by Australia's biggest television personality, Jana Wendt.

There was no reporter, just Mr O'Grady and occasionally his mother, Val, speaking directly to camera.

The response was overwhelming. Mr O'Grady has been hailed for his courage in speaking out over his fight against HIV, which has infected 20,000 Australians since 1983, resulting in 4,700 deaths. As Bob Carr, the premier of New South Wales, and leader of the state's ruling Labor Party, told viewers: "Having a politician say, 'This is my life, HIV and AIDS', is a reminder to everyone that a lot more of this is going to happen in our society."

Paul O'Grady grew up in the sprawling western suburbs of Sydney with politics in his blood. He was still under 30 when he won a seat as a left-wing candidate in the Legislative Council, the state's upper house, where political deals are fought over. It was in that chamber, and on the streets outside it, that Mr O'Grady fought another prominent MP, the Rev Fred Nile, leader of the anti-gay, pro-Christian, pro-family values Call to Australia Party.

Mr Nile has tried unsuccessfully to outlaw the Sydney Gay and Lesbian Mardi Gras, an annual street carnival in which Mr O'Grady marches. "We want to restore Sydney as a clean city, morally and spiritually," he says.

It is not surprising, then, that

Mr O'Grady sees his decisions to go public about both his sexuality and AIDS as overtly political. He decided to leave parliamentary life, he says, because he was no longer well enough to stand up to its rigours. He felt that he should use his energies fighting not just his disease but also the ignorance and prejudice surrounding it.

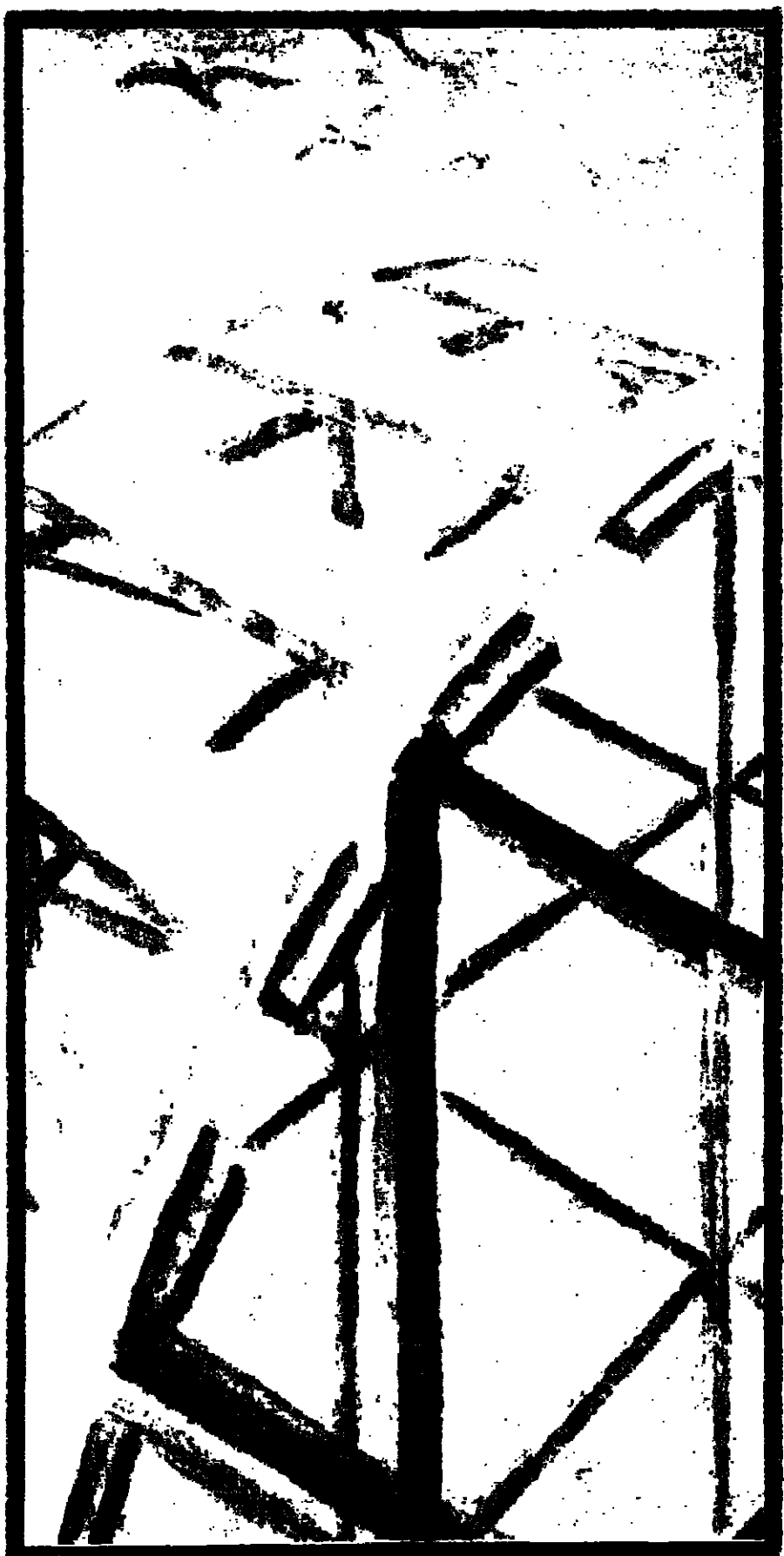
His campaign goes beyond the gay community. Having seen many people die painfully from AIDS and other fatal illnesses, Mr O'Grady believes strongly in voluntary euthanasia. Last year, he introduced a private member's bill to parliament to legalise such processes. It is unlikely to succeed. The Labor Party, in which Irish Catholic influences are strong, is against it.

Yet Mr O'Grady is far from a lone voice. In the Northern Territory, Australia's least populous region, the world's first law allowing voluntary euthanasia is due to come into force today. Politicians in the rest of Australia are up in arms about it, and Canberra is threatening to pass overriding legislation to nullify the territory's law.

Mr O'Grady's advocacy, from a deeply personal perspective, has got Australians discussing the law's pros and cons in a way that might not have happened otherwise. "I have never understood how lying in a hospital bed rotting away is dying with dignity," he says. "Life is about quality of life, and death should be a quality death."

The former MP looks more physically robust than he did when he quit parliament in January, the product of a lengthy holiday and, as he puts it, "fighting with mind over matter". Whenever his time comes, and whatever the law, he says that he has doctor friends "ready to help and guide me". How? "I hope, if I need to, that I can hold out my arm and have a little needle which takes me off quietly and peacefully after I've said my farewells. That's how I'd like to do it."

Robert Milliken



Important Announcement for existing Northern Rock Share Account Holders

On Monday 1 July 1996 Northern Rock is to open a share account version of its Great North Postal Deposit Account to existing share account holders.

Great North Postal Share Account is available only to holders of existing Northern Rock share accounts and must be opened with the same name details and order of names of account holders as the existing share account from which the opening transfer of funds must take place.

Great North Postal Share Account enables existing share account holders to maintain their investing membership rights in the Society.

Details of the Great North Postal Share Account, which can be operated by post only, can be obtained by ringing our freephone Investment Information Line on 0500 50 5000.

NR
NORTHERN ROCK

Member of the Northern Rock Group. Northern Rock Group is a subsidiary of Northern Rock plc.

Britons die as floods hit Middle East

Four Britons were among seven people killed by a flash flood in Oman, the Foreign Office said yesterday. In nearby Yemen, the death toll from floods in the past fortnight was said to have reached more than 300.

The Britons were on a hiking tour through one of Oman's most popular recreation areas in Wadi Bimash, the so-called Snake Gorge, near Rustaq. The seven victims, who also included two Americans and a Dutch woman, were among 26 people of different nationalities on the trek - mostly civilian business people. One other person was injured.

Rescue teams are still searching for the body of one missing Briton. Another was taken to hospital and is said to be in a stable condition.

"The victims were terribly unlucky," said a British Embassy spokesman in Muscat. "There is always a risk when going on these excursions, but it was a popular tour and people don't really expect any danger."

"There are only 6,000 Britons out here in Oman," he said. "Of course a tragedy like this has deeply upset everyone."

He said British Embassy staff were working closely with the Royal Oman Police and other Omani authorities.

Officials said that the worst floods to hit the impoverished Arab state of Yemen in 30 years have killed more than 300 people and made several thousand families homeless. The floods began in mid-June, caused by unusually heavy rains. The Yemeni President, Ali Abdullah Saleh, has said the damage is estimated at \$1.2bn (£0.8bn).

Suicide-bomb attack kills five in Turkey

Tunceli (Reuters) - At least five soldiers were killed and 25 people wounded in a suicide-bomb attack on a military parade in the eastern Turkish town of Tunceli yesterday, when a female bomber blew herself up in the town's central square.

Security officials said the attack was the work of Kurdish guerrillas who have recently threatened suicide attacks.

The attack happened two days after the creation of an Islamist-led government that ended nine months of political turmoil in Turkey.

Around 20,000 people have died in a 12-year campaign by the Kurdistan Workers Party (PKK) guerrilla group, fighting for independence or autonomy.

The rebels are often active in the mountains around Tunceli,

where security was stepped up earlier this month after a would-be bomber, also female, died in the outskirts of the town when the device she was carrying exploded prematurely.

The exiled rebel leader Abdullah Ocalan threatened in March to unleash suicide bombers on western Turkish cities if the government did not respond to a unilateral ceasefire he called last December. Turkish authorities ignored the call.

On Thursday, government troops killed dozens of Kurdish guerrillas in a cross-border raid against a rebel base in the mountains of northern Iraq, military officials said. A military official in Tunceli called the raid the biggest cross-border operation of the past four months.



هكذا من الاصل



STEPHEN VINES
Hong Kong

Maybe the unseen hand which controls the weather was saying all that needed to be said about the colony's future yesterday, the day marking the start of the 365-day countdown to the end of British rule.

One moment, there were brilliant clear skies. The next moment - ominous black clouds and downpours.

In the centre of Hong Kong, there were equally confused visions of the future depicted

in rallies held by Peking's supporters on the one hand, and the Democratic Party, which is the largest and most vocal opponent of Chinese plans for the new Hong Kong, on the other.

For the pro-Peking event, 400 people were bussed in wearing identical yellow T-shirts and orange sun shields. They were orderly, and responded well to instructions from the platform.

The Democrats, who mustered a bigger crowd, were less identikit, and were in a more belligerent mood. A group of

100 people conducted an all-night vigil to protest against China's plans for dismembering the legislature and replacing it with a non-elected body, pending the organisation of fresh elections. This will overturn the current system, which approximates to universal suffrage.

"We are ordinary people," said Tsang Yuk Shing, the leader of the Democratic Alliance for the Betterment of Hong Kong (DAB), which organised the pro-China rally. He said that ordinary people were seeking pragmatic solu-

tions to the challenges of the new era. To prove the point, a succession of "ordinary people" were brought up to the platform to say what they were hoping for. A teacher said he would take a course to study for a new career, a white-collar worker said he would try to start his own business, and a small girl demonstrated how she was learning the language of the new rulers by counting from one to 10 in Mandarin.

Cheng Kai Nam, the DAB's General Secretary, said there was too much preoccupation

with the theory of what will happen. Hong Kong people should do something about the future, not just sit here shouting, he said.

"If everyone says it will be hopeless, it will be hopeless, it's a self-fulfilling prophecy."

The Democrats believe that there is no need to prophesy about the future: "We see [Peking's] puppets ruling Hong Kong with a high degree of control," said the Democrats' leader, Martin Lee, yesterday. However, he believed that "the fire of democracy has been lit

and it cannot be quenched by an iron fist."

The former British prime minister, Margaret Thatcher, is reportedly planning to stay in Hong Kong for several days after 1 July 1997—in other words, for the first days of Chinese rule.

Meanwhile, in a rare moment of agreement, both Taiwan and China issued similar statements yesterday welcoming the end of the colonial era in Hong Kong. As the *People's Daily* in Peking put it: "The people of China have stood up and will finally wash away a century of shame."



RICHARD LLOYD PARRY
Hanoi

One delegate died halfway through, two were sent home in disgrace after a drunken binge, but otherwise the eighth Congress of the Communist Party of Vietnam was everything it was supposed to be.

At the closing ceremony in Hanoi today, the Vietnamese leader, Do Muoi, will almost certainly confirm what has been anticipated since last week: that the congress was a holding exercise, designed to keep Vietnam steady on a path of cautious economic liberalisation, while fiercely stamping on any suggestion of political reform or cultural Westernisation.

The congress is only the second since Vietnam's leaders embarked on their policy of economic "renovation" ten years ago. Since then the country has transformed itself from stumbling commonwealth to a nation with rampant inflation, to one with an annual growth of more than 8 per cent.

The three most powerful

leaders are expected to retain their posts: Do Muoi, the 79-year old Secretary-General of the Communist Party, the 73-year old Prime Minister Vo Van Kiet, and the 75-year old President Le Duc Anh. Diplomats and investors had been looking forward to the emergence of a younger generation to replace the ageing troika. But secret meetings prior to the congress failed to agree on acceptable replacements: Party officials say that the three—who embody a delicate balance between conservative and pro-reform elements—will serve for only one or two years, until a consensus can be reached.

Similar caution is displayed by the Political Report, a 54-page digest of propagandist rhetoric, social and economic assessment, and resolutions for the next five years. As the only permitted political forum, the report, like fragile, young democracy, the Party has to tread a thin line between courting international investment and heading off any suggestion of political pluralism. The report charts out the

course to a fully industrialised, technocratic Vietnam by 2020. Education and technology will be enhanced, unemployment and poverty will be addressed and exports promoted. At the same time, Vietnam, once shunned internationally, will continue to develop its bilateral relationships: next month, for instance, sees the first anniversary of the opening of a new American diplomatic mission. 20 years after the fall of Saigon.

But the report also warns of four threats: corruption, economic stagnation, deviation from socialism, and "silent revolution" — the insidious erosion of communist morals by the values and products of the West. In February, the Party launched an energetic campaign against "social evils", tearing down Western billboards and destroying videos, music cassettes and pornography.

All this weekend the rhetoric veered between warm overtures and stern warnings against the West. On Friday, Do Muoi urged the delegates to "defend the people, the Party and the



cialist regime to prevent and smash all designs and activities of peaceful revolution, rebellion and subversion". President Anh accused unnamed foreign investors of evading taxes, underpaying workers, failing to transfer technology and trying to subvert socialism.

But speaking to reporters yesterday, Do Muoi insisted: "I am a person who wants friendship between different peoples. Are you happy to have me as your best friend?"

The danger of social evils was dramatically illustrated to the congress last week when two regional delegates were sent back in disgrace. They had been arrested in a "bug bar", a louché hostess establishment of a kind which has proliferated in the past few years.

Paris anger as mayor gets off

MARY DEJEVSKY
PARIS

There was an outcry in France at the weekend following the announcement that magistrates had decided not to pursue a corruption and nepotism case against the mayor of Paris, Jean Tiberi. The fury was such that the week's intended big event - President Chirac's hosting of world leaders at the G7 summit meeting in Lyon - was almost banished from the headlines to accommodate outpourings of indignation about Mr Tiberi.

The Socialist Party's convention was dominated by expressions of outrage, and newspaper commentators were moved to ask awkward questions not just about the mayor of Paris, but about the power wielded by the capital's Gaullist establishment and about the French justice system.

The court's decision an

nounced as the first wave of urban holidaymakers was en route to the south, related to specific accusations that a flat owned by Paris city council had been expensively altered and refitted before being occupied, at a subsidised rent, by Mr Tiberi's son, Dominique.

Tiberi junior's flat - a penthouse in a fashionable quarter of the city - had been the talk of Paris ever since a former deputy head of the city housing department, Francois Ciolina, had testified that more than 1,500,000 francs (£190,000) of council money had been used for the refurbishment. He also said that Dominique's mother had personally overseen the work.

Although Mr and Mrs Tiberi denied the allegations, noting that Mr Ciolina was himself under investigation for corruption, the affair rumbled on. Mr Ciolina offered documents. An in-

quity was opened by judge Eric Halphen, who was already investigating corrupt contracting in the Paris housing department.

Within a few days, it was reported that the case of the Tiberi flat was being switched to a judge in central Paris, on the grounds that this is where the offence had allegedly taken place. The reason why Judge Halphen had taken on the case was that the refurbishment of the Tiberi flat was carried out by the firm at the centre of the general housing corruption probe and this firm is registered in the judge's jurisdiction.

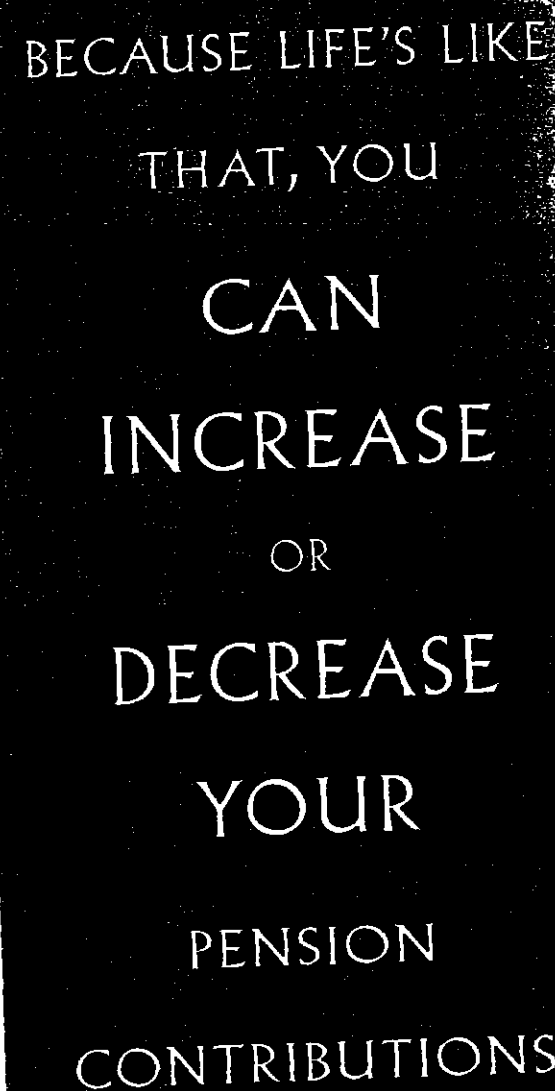
Judge Halphen has a reputation as an anti-corruption campaigner and for not being easily intimidated - qualities which explain why he instituted both cases and why, many suspect, the Tiberi case was suddenly removed from him.

Within hours of formally taking over the case, the new judge

announced that the case was being dropped on two technicalities: that the allocation of city council flats to the Tiberi children had been investigated and dropped last year, and that the refurbishment took place more than three years ago.

Mr Tiberi, who had a rocky first year as mayor of Paris, taking over from Jacques Chirac, hopes that the affair is now closed as successfully as was the affair of the prime minister's subsidised housing when he agreed to move out before Christmas. This time the clamour may not die down so easily.

Those implicated now include the justice minister Jacques Toubon, who reallocated the Tiberi case, other senior Gaullists on the city council, and even Mr Chirac, who as mayor for two decades presided over a system of patronage that looks increasingly suspect.



CALL NOW ON
0800 300 810

8am-8pm Mon to Fri & 8am-1pm Sa
1pm-5pm small businesses & 1pm-5pm

Because life isn't always a joyride, Sun Alliance has designed a flexible pension plan. You can stop or start, increase or decrease payments, without penalties, to suit changes in your lifestyle. For a free video and information about a pension plan that stays with you through life's ups and downs, call Sun Alliance on 0800 300 810. Or just complete the coupon below.



SUN ALLIANCE

TOGETHER WE MAKE SOME ALLIANC

Please put me in touch with an Independent Financial Adviser or
Please arrange for a Sun Alliance pensions specialist to contact me and
Please send me a free video and further information

Surname
First name Title
Address
Postcode
Telephone (daytime)
evening
My Life and Pensions Adviser is
K:

[illegible]

international

Mexico shocked by new guerrilla uprising

PHIL DAVISON
Latin America Correspondent

The Mexican stock market and the peso is braced for setbacks today after the stunning weekend emergence of a self-styled new guerrilla army near the glitzy Pacific resorts of the southern state of Guerrero.

Calling themselves the People's Revolutionary Army (ERP), several dozen uniformed, well-armed, masked men and women appeared at a public rally in the lush hills

above Acapulco, fired volleys in the air and called for the overthrow of the government.

Later on Friday night, about 20 armed men in similar garb clashed with police at a roadblock not far away, wounding three policemen with fire from AK-47 assault rifles before melting into thick foliage.

The group's emergence shocked Mexico, where masked Indian peasants calling themselves Zapatistas and led by a pipe-smoking intellectual in a black balaclava – the now-leg-

endary Subcomandante Marcos – rose against the government in the south-eastern state of Chiapas in January 1994.

The ERP in Guerrero said it had no connection with the Zapatistas. But its proclaimed aims sounded similar and Mexican commentators said the group, while posing no direct military threat to the Mexican army, could be a serious destabilising force for a government whose popularity is sliding.

The Zapatistas have not fought with the Mexican army

since the rising but have remained a thorn in its flesh and have negotiated serious political concessions.

Some analysts felt it was no coincidence that the guerrillas in Guerrero emerged minutes after a speech by the leader of Mexico's left-wing parties, Cuauhtémoc Cárdenas. Mr Cárdenas later denounced violence, the son of revered former President Lázaro Cárdenas considers himself a kind of "spiritual leader" of Mexico's

left-wing factions and has visited Subcomandante Marcos's jungle hideout in Chiapas.

Other commentators noted that the new guerrillas were suspiciously well-armed and equipped for a peasant movement, far more so than the rag-tag Zapatistas in Chiapas, and suggested they may have been concocted by one or other political faction – even, perhaps, one within the ruling Institutional Revolutionary Party (PRI) – as a lever of power.

Friday's incident occurred at

a memorial service for 17 peasants massacred by Guerrero state troopers near the village of Aguas Blancas a year ago. The peasants, riding two cattle trucks, had been on their way to a left-wing rally.

The Guerrero state governor Rubén Figueroa resigned after being found responsible for the ambush and for putting pistols in the hands of the victims in an attempt at a cover-up.

On Friday, the 50 men and 10 women in crisp olive uniforms and carrying AK-47s or AR-15

rifles emerged from the hills in military formation, laid a wreath to the 17 victims and fired 17 shots in the air. They were wearing red-and-black ERP shoulder insignias and covered their faces with black bandanas tucked beneath black baseball caps.

Reading a manifesto in both Spanish and the local Indian language of Nahuatl, their leader, "Commander Ignacio", said President Ernesto Zedillo's government was "illegitimate, anti-popular, anti-democratic

and sustained fundamentally by the arms of the military and police". Mr Zedillo's PRI has ruled for nearly seven decades, traditionally using fraud to keep growing opposition at bay.

"Moved by the unjust conditions of our life and work, we want a democratic and revolutionary transformation of our homeland," the guerrillas said before disappearing into thick hillside forest after 20 minutes. They were later sought by jeep loads of heavily-armed soldiers in torrential rain driven.

Karadzic defies court by securing re-election

TONY BARBER
Europe Editor

Radovan Karadzic, the Bosnian Serb leader, has defied international efforts to force his removal from power by securing re-election as the head of his ruling party and by retaining the title of president of the Bosnian Serb republic.

At a congress of the Serbian Democratic Party (SDS), all but one of the 354 delegates re-elected Mr

Swedish official responsible for enforcing the Dayton accord, said the Bosnian Serb leader had handed over his presidential powers to his deputy, Biljana Plavsic.

But Ms Plavsic quickly contradicted Mr Bildt, commenting that until elections due on 14 September "Karadzic is the president and I am the vice-president". A copy of a letter that Mr Karadzic sent to Mr Bildt made clear that the Bosnian Serb leader regarded himself as having only temporarily delegated his powers to Ms Plavsic. Moreover, even if Mr Karadzic chooses not to stand for re-election to the presidency – he has issued conflicting signals in the last week, but must make a final announcement by next Thursday – it is evident that by hook or by crook he intends to retain as much political influence as possible in the Bosnian Serb arena.

The Group of Seven leading industrial countries, plus Russia, issued an ultimatum to Mr Karadzic at the weekend, saying he must resign all public posts immediately or face the reimposition of sanctions on the Bosnian Serb republic. However, even Mr Karadzic's departure might not change Bosnian Serb attitudes, as Ms Plavsic is just as opposed as Mr Karadzic to the Dayton accord and just as determined to prevent the reunification of Bosnia.

Karadzic to a four-year term as party leader. The vote was a clear violation of the Dayton peace settlement, which states that Mr Karadzic, as an indicted war criminal, must step down from all public posts and be handed over for trial at the United Nations tribunal in The Hague.

The party leadership is a powerful position affording Mr Karadzic control of the police, media and state administration. Mr Karadzic's grip on his other job, the presidency, appeared briefly in doubt yesterday when Carl Bildt, the



Biljana Plavsic: Stays as deputy to Karadzic



Ready to be counted: Mongolian nomads waiting to vote outside a polling station in Delegerhaan County in Hentii province, 150 miles east of the capital, Ulan Bator, yesterday for the third multi-party elections in the country since it abandoned communism in 1990. Photograph: Greg Baker/AP

Bombers fail to blow president off course

Tony Barber talks to Kiro Gligorov (right) about Macedonia's struggle for stability

It was a demanding schedule for a man of 78: a flight to Strasbourg, a speech at the Council of Europe's headquarters and a press conference, followed by a diplomatic reception and a newspaper interview.

The fact that President Kiro Gligorov of Macedonia took it all in his sprightly stride illustrates the extraordinary resilience of a man who, less than nine months ago, was the target of an assassination attempt that left him with severe head injuries and caused many people to agonise over his country's future. Speaking to the Independent, Mr Gligorov said he could not be absolutely

confident that the Macedonian authorities would ever discover who was behind the car bomb that exploded in Skopje on 3 October 1995 along the president's normal route to work.

But, he said: "The actual attackers were not important. The most important thing was that those who were behind it did not realise their objectives." These aims, said Mr Gligorov, were to prevent Macedonia from achieving permanent political stability, from improving its relations with neighbouring countries and from entering mainstream European institutions as an internationally recognised independent state.

The car bomb exploded at a time when Macedonia was poised for major breakthroughs in its relations with Greece and rump Yugoslavia. "But I wouldn't just mention those two points. After that, Macedonia became a member of all the important and relevant European organisations. We joined the Organisation for Security and Co-operation in Europe and the Council of Europe, and we signed Nato's Partnership for Peace."

Mr Gligorov would not elaborate on his remarks, but the strong implication was that some political forces – external or internal – were determined to sabotage his efforts to secure Macedonia's entry into the international community on the terms available in October 1995. In respect of Greece, these terms required Mr Gligorov to change Macedonia's flag and constitution so that they no longer pressed what the Greek government said was a territorial claim to the northern Greek province of Macedonia.

At the time, the most vehement opposition to this compromise was coming from militant emigre groups in Australia and North America, some of whom dream of a Greater Macedonian state with borders touching the Aegean Sea – including land that currently belongs to Greece. These groups denounced Mr Gligorov's deal with Greece as "treason to the Macedonian nation", but there has been no clear evidence to link them (or radical nationalists in domestic Macedonian politics) to the assassination attempt.

It is a measure of Mr Gligorov's personal contribution to Macedonia's stability that, upon hearing of the car bomb, politicians and commentators across the Balkans instantly expressed fears for his country's survival in its present form.

Mr Gligorov said that the real threats to Balkan stability came from two other quarters: Bosnia

and the Serbian province of Kosovo, scene of a prolonged struggle between the majority Albanian population and their Serbian rulers. "Peace in Bosnia has not been cemented, while on the other hand the Kosovo problem is still open. Together, these two factors may bring about the destabilisation of the whole region," he said.

Macedonia, whose population of 2 million includes more than 400,000 ethnic Albanians, was particularly concerned about an influx of Albanians from Kosovo and Albania itself. Mr Gligorov said: "Many have found work in Macedonia and are seeking citizenship, and among them are people with radical ideas," referring to calls for a Greater Albania incorporating Albania, Kosovo and western Macedonia. Commenting on recent agitation for an Albanian-language university in Macedonia, he noted that primary and secondary education was already available in Albanian and promised to establish two Albanian-language teacher training colleges in the future.



ing, they are in line with growing Western support for the Slovenian cause.

They also cap a flurry of activity this month which has seen Slovenia sign association agreements with the European Union and its defence wing, the Western European Union.

"Slovenia is a very strong candidate for Nato," a diplomatic source in Brussels said. "Over the past five years it has successfully introduced economic and democratic reforms and as a small state, it would actually be easier to integrate than some of the larger ones."

Despite achieving the highest average standard of living of any country in the former Eastern Bloc, Slovenia's attempt to sign an association agreement with the EU was until recently blocked by Italy in a property dispute stretching back to the inter-war years when the Istrian peninsula was under Italian rule.

Slovenia finds a friend in its attempt to join Nato

ADRIAN BRIDGE
Central Europe Correspondent

In the month in which it celebrated the fifth anniversary of independence, the former Yugoslav republic of Slovenia has received a strong boost for its attempt to join Nato from neighbouring Austria.

Although Austria itself is neutral, the country's Defence Minister, Werner Fasslabend, said Slovenia had now joined Poland, Hungary and the Czech Republic in the central European group set to be the first to join the Western military alliance when it expands, probably in three to four years.

Mr Fasslabend made his remarks following a series of meetings with defence officials, including Defence Secretary William Perry, in the United States. Although they have not been officially confirmed as reflecting White House think-

ing, they are in line with growing Western support for the Slovenian cause.

They also cap a flurry of activity this month which has seen Slovenia sign association agreements with the European Union and its defence wing, the Western European Union.

"Slovenia is a very strong candidate for Nato," a diplomatic source in Brussels said. "Over the past five years it has successfully introduced economic and democratic reforms and as a small state, it would actually be easier to integrate than some of the larger ones."

Despite achieving the highest average standard of living of any country in the former Eastern Bloc, Slovenia's attempt to sign an association agreement with the EU was until recently blocked by Italy in a property dispute stretching back to the inter-war years when the Istrian peninsula was under Italian rule.

But when Italy dropped its objections after coming to a compromise with Ljubljana late last month, Slovenia's prospects for joining other Western institutions dramatically improved.

Slovenia has the rare distinction of being one of the few countries in the region whose membership of Nato would not be opposed by Russia. If admitted, it would also serve as a useful land link between another likely newcomer, Hungary, and other Nato states.

After a brief war following its declaration of independence from Yugoslavia on 25 June 1991, Slovenia successfully managed to remain out of the conflicts that ensued. According to Mr Fasslabend, Nato officials hope that Slovenia's inclusion in the alliance could be an important first step towards the long-term stabilisation of the situation in the region.

Revised Interest Rates.
Amended Investment and Savings Rates.
Effective from 1st July, 1996.

Minimum Investment	Gross*	Gross CAR**	Net†
Bonus Builder (Annually)**			
£100,000+	6.00%	-	4.80%
£50,000	5.50%	-	4.40%
£20,000	5.25%	-	4.20%
£10,000	4.75%	-	3.80%
£5,000	4.25%	-	3.40%
Bonus Builder (Monthly)**			
£100,000+	5.85%	-	4.68%
£50,000	5.35%	-	4.28%
£20,000	5.15%	-	4.12%
£10,000	4.65%	-	3.72%
£5,000	4.15%	-	3.32%
Britannia High Interest (Annually)			
£100,000+	5.00%	-	4.00%
£50,000	4.75%	-	3.80%
£20,000	4.25%	-	3.40%
£10,000	3.75%	-	3.00%
£5,000	3.25%	-	2.60%
Britannia Monthly Income (Monthly)			
£100,000+	4.85%	4.96%	3.88%
£50,000	4.60%	4.70%	3.68%
£20,000	4.15%	4.23%	3.32%
£10,000	3.65%	3.71%	2.92%
£5,000	3.20%	3.25%	2.56%
£2,500	2.35%	2.38%	1.88%
Flexible Savings Account (Annually)			
£50,000+	3.40%	-	2.72%
£20,000	3.15%	-	2.52%
£10,000	3.00%	-	2.40%
£5,000	2.50%	-	2.00%
£2,500	2.30%	-	1.84%
£500*	2.10%	-	1.68%
Current Account			
£10,000+	1.00%	1.00%	0.80%
£500-£9,999	0.50%	0.50%	0.40%
£1-£499	0.09%	0.09%	0.07%
Trustee Deposit (Annually)			
£50,000+	4.75%	-	3.80%
£25,000	4.25%	-	3.40%
£10,000	3.75%	-	3.00%
£5,000	3.25%	-	2.60%
Tax Exempt Charities (Annually)			
£25,000+	4.25%	-	-
£10,000	3.75%	-	-
£1	3.00%	-	-

Platinum and Flexi-TESSA (Annually)	
(Gross basis)	
Platinum-TESSA (Effective from 1st July, 1996)	6.10% TAX FREE*
Flexi-TESSA (Effective from 1st July, 1996)	5.25% TAX FREE*

*The minimum balance for customers aged under 25 is £100. The minimum balance for all other customers is £500. A rate of 0.10% Gross will be paid on any balance that temporarily falls below these minimum balance levels, and the Account may be closed. **Without UK income tax deducted. ***Annual return if monthly interest payments remain in the account. **Assuming rate of income tax at 20%. **Including a 0.5% bonus for 1996 where no withdrawals have been made. Interest will be payable out of the applicable rate of income tax (which may be reclaimed by non-taxpayers) or gross, subject to the required right-hand CAR and net rates are Britannia only and have been rounded to two decimal places. Rates may vary but are correct at the time of going to press. FOR INFORMATION: Details of interest rates on other accounts are available from any Britannia branch. You may be unsure as to whether your existing account is the best one for you. If so, please call into your local branch where we will be happy to explain the various schemes in detail.

Britannia
The Sharing Society

Britannia Building Society
Britannia House, Leek
Staffordshire ST13 5NS

Get more for your money, buy
Cellphones
direct

PHILIPS

NEW GSM MODEL FIZZ

- ◆ Up to 75 mins talk-time
- ◆ Up to 45 hrs standby-time
- ◆ 45 name number memory
- ◆ Rapid recharge
- ◆ Complete package with standard battery and charger
- ◆ Dimensions 162x60x17mm
- ◆ Weight 210g

VOYAFONE PERSONAL WORLD

Model: FIZZ 100 - VAT

Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT

Net Price: £119.99 - VAT



INTRODUCTORY LAUNCH OFFER
£9.99
INC. VAT

FREE LINE RENTAL - for 4 months

worth £70.52 inc. VAT

FREE ACCESSORIES - in-car

adapter and leather case

together worth £49.98 inc. VAT

LATEST PHILIPS - the slimmest

phone in its class

ONE SECOND BILLING - you

only pay for the airtime you use

BEST COVERAGE - with digital

cell clarity and security

GUARANTEED PEACE OF MIND

Your phone is covered by our 1 day

100% money back promise

100% money back promise

100% money back promise

100% money back promise

100% money back promise

100% money back promise

100% money back promise

100% money back promise

100% money back promise

100% money back promise

Cellphones

ORDER NOW WITH YOUR CREDIT CARD DETAILS FOR FREE DELIVERY IN 4 WORKING DAYS

* Delivery times may vary depending on the availability of the product.

FREEPHONE 0800 000 888

CREDIT CARD ORDERING HOTLINE WEEKDAYS 9AM TO 7PM WEEKENDS 9AM TO 5PM

PLEASE HAVE YOUR CREDIT CARD AND THIS ADVERTISEMENT READY WHEN YOU CALL

AND DOUBLE CHECK YOUR ORDER DETAILS TO AVOID ANY PROBLEMS

© 1996 Philips Mobile Communications Ltd. All rights reserved. Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

Philips is a registered trademark of Philips North America Inc.

سكنا من الاصل

Defence must live on a smaller slice of the pie

An Irish terrorist bomb explodes at the Quebec barracks. Questions ensue. Where were the Army's security patrols and why weren't they stepped up during what ought to be, after Manchester, a period of the highest alert? Why is the much-vaunted participation of the Security Service in the "war against terrorism" showing such little result? There is a question for the Home Secretary, Michael Howard. But he, never one to restrain himself when an opportunity for coarse intra-party politicking presents itself, is dashing off to allege it is somehow all Europe's fault. It's pretty rich to hear other countries being lectured by a British government minister whose proven ineffectiveness in excluding IRA terrorists from the United Kingdom has been unfortunately demonstrated in successive recent outrages.

Yet so far no one has asked a most pertinent question. The mortar was fired in Osnabrück. What exactly is it that 4 Armoured Brigade is doing in Germany? Presumably it is no longer guarding the Fulda Gap. To respond that the British Army remains in Germany because of Nato obligations will just about do as a holding answer but fails to address a wider point. The British Defence Establishment is still too big, too far-flung, too ambitious.

Whatever the precise shape of the Armed Forces in the early 21st century they are not shrinking fast enough—in

terms of what British foreign policy requires or what can be afforded given taxing and spending priorities at home. There is a strong case, therefore, for William Waldegrave and his Treasury boss Kenneth Clarke to return to the Ministry of Defence for savings. Yes, the last defence review is less than two years old and yes, overnight savings in a capital-intensive arena like defence are well-nigh impossible. None the less, whoever the Secretary for Defence is, the job is the same. It is managing decline.

The incumbent, Michael Portillo, was sent to Defence to expiate his sin against Mr Major. And now he is in political trouble. We have that on the authority of Jonathan Aitken who yesterday accused Conservative colleagues of using the sale and lease back of Ministry of Defence married quarters as a rod to beat the young pretender's back. It's difficult to muster much sympathy for Mr Portillo. His cowardice last year, his jingoistic absurdities at successive party conferences mark his card unfavourably. If the Redwoods have now moved against him, he deserves it. But on the broad question of breaking up the property empire controlled by the MoD he must be right, in the longer run.

Yet if he is right in terms of the big picture, the way he has gone about selling off the estate looks both grasping and callous. Service families are being plunged into deep uncertainty about

their future accommodation. This is an example of the dogmatic theorising about management and organisations that has come to be accepted as the norm in Whitehall. Organisations, American gurus used to assert (before the real world experience of firms showed they were wrong), should "stick to their knitting". Applied in simplistic fashion to the MoD this has been taken to mean all tasks deemed unrelated to fighting and defending should be hived off, privatised or otherwise junked. But did the gurus ever wonder if there was a connection between soldiers' courage and loyalty

and official treatment of their dependants? It now emerges, contrary to what Mr Major has said, that the MoD is giving no guarantees to service families about where they will live after the developers take over.

This policy has much in common with the much-hyped private finance initiative. The Government garners a capital sum, though thanks to sweeteners it will turn out to be less than the headline sum. But what happens later when the new owners seek to raise rents? What are the revenue consequences for the MoD? The fact that additional money is politically vital this year has ensured

that this kind of deal has not been scrutinised properly in terms of its general benefit to the public revenues. Anyone who thinks the Treasury is a bastion of probity in public spending should examine the accounts for 1995-96 and 1996-97 from the perspective of 10 years' hence. Unfortunately by then Sir Terry Burns and his cronies will have retired and hauling them before the Public Accounts Committee will do little good.

The Tory MPs who have taken against Mr Portillo are not, needless to say, exercised by worries about money. Nor do they really care for tenants. These selfsame MPs did not, let's recall, raise a single voice in favour of tenant consultation when the right to buy for local authority and housing association tenants was introduced or subsequently the Government moved to wrest entire estates away from their public-sector owners. Their concern is with dismantling a Great Symbol of the Nation. Defence is, for some Tories, a totemic issue. This is evident in the past weekend's nonsense about delegations of beribboned generals and senior ministers failing to visit the Somme. Lady Thatcher's knee jerked.

On the surface these Tory symbolists and Michael Portillo have much in common: the Armed Forces, past and present, are an indispensable element in the project of English or Unionist nationalist revival. But Mr Portillo knows just how much defence costs and

how it cannot escape the scrutiny of effectiveness and efficiency which has been applied with such rigour to other blocks of public spending. The Ministry of Defence is, truth to tell, as much part of the welfare state as the Department of Social Security; historically welfare and warfare owe much to one another. A Tory party claiming any consistency or accomplishment in managing public money has no choice but to subject the diminishing claims of the defence state to continuous and sharp scrutiny.

A new end for the fat cats' tale

As PG Wodehouse might have put it, what the deuce is a chap to do with out a chap to pour his Darjeeling and iron his *Independent*? It's a question corporate chieftains and City millionaires have increasingly been asking themselves. In a world of personal trainers and style counsellors it surely follows that personal services ought once again to be provided at home. But that puts a premium on Hudson and Mrs Bridges and they are playing the market. Buck House faces a kitchen drain. Perhaps it's the beginning of a jobs boom—the more fat cats, the more people needed to squash their fleas. The University of Luton is even now preparing a BA in Jeevesian Studies.

LETTERS TO THE EDITOR

Parliament suffers from MPs' failings

Sir: The real danger posed by Anthony Bevis' excellent expose of the *de facto* weakness of Parliament ("A day in the death of the Commons", 28 June) is a temptation to find alternative mechanisms of democratic power. Parliamentary procedures are not the problem. It is the quality of our MPs and the impoverished narrowness of political ideas they represent that must be addressed. Politicians are now widely regarded as cynical, opportunistic and unprincipled but we only get the MPs and the political parties we vote for. And we only vote on the progressively narrow Blair-Major agenda currently debated in the public forum.

Parliamentary democracy was won after momentous struggles by movements like the Chartists' campaign. Many lives were expended (in both the acute and chronic senses) in achieving this cherished aim. Movements like that of the Suffragettes fought to optimise the extent of constitutional democracy, and today corresponding struggles in less developed nations win the sympathy and support of many people in Britain.

It would be utter folly to allow the inadequacy of our current MPs to cause us to lose faith in Parliamentary supremacy. Dr GARY SLAPPER
Law School
Staffordshire University
Stoke-on-Trent

Sir: You complain about our poorly attended, flabby and ineffective House of Commons with its apparently supine attitude to the Executive. But is this surprising? What possible enthusiasm could MPs have for their job when they are portrayed as crooks, careerists or time-wasters and they are obliged to accept without question a salary that would prompt industrial action were it to be imposed upon the occupants of the Parliamentary Press Gallery. If Parliament is working flat out considering a large number of public bills, the media says that we have too much legislation. If the agenda is thinner and MPs devote their time to Select Committees and constituency work, we are told that the Government of the day has run out of ideas.

You imply that this state of affairs is related to the Conservative Party. The actions of Mr Blair in summarily changing devolution policy give the lie to that. We do need reform, but it will require more than legislation to change the attitude of political leaders to Parliament. NICHOLAS KENT
National Secretary
Tory Reform Group
London SW1

Sir: I was a member of the Procedure Committee 1975-79: the Procedure Report of 1978, which recommended establishing a structure of Departmental Select Committees, hoped that it would enable the House as a whole to exercise effective control and stewardship over Ministers and the expanding bureaucracy of the modern state for which they are answerable, and to make the decisions of Parliament and the Government more responsive to the wishes of the electorate.

Many believe that the trend now is to the contrary, as illustrated by the increasing scope and impact of



"negative" Statutory Instruments and of EC legislation. The former are rarely debated at all, and even debates on the latter can only advise Ministers, who then take legislative decisions in secret. Thus, the advance of executive authority has continued since the 1978 report, which said that the working of the constitution was even then: "weighted in favour of the Government to a degree which raises widespread anxiety". NIGEL SPEARING MP
(Newham South, Lab)
House of Commons
London SW1

Reducing Russia's visa queues

Sir: You recently published letters from three of your readers (15, 19, 21 June) complaining about the visa service at our Moscow Embassy. I was most concerned to learn of their criticism which I take very seriously.

I offer every assurance that we wish to encourage as many Russians as possible, business people and tourists alike, to visit the UK. It is in our interests to do so, and provided that an applicant satisfies the requirements of the Immigration Rules (and 96 per cent do) all our efforts are directed to that end.

Moscow, however, is now our largest visa issuing post in the world; and with an average annual increase in demand of 25 per cent in each of the last three years, our ability to provide the space and staffing levels necessary has been under great strain. June and July, being the busiest months, create queue problems for applicants, but

we simply cannot accommodate the 500 to 600 applicants a day inside the existing Embassy compound. I take a personal interest in our Moscow operation. I visited Moscow last December and approved plans to enlarge and improve the old premises at a cost of £700,000. The renovated offices opened on 13 May and provide waiting space for 160 persons and new counter positions for eight visa officers (of which there are currently 17) at a time.

We are always seeking to improve our visa service to Russian applicants and are looking closely to see how the length of queues and queuing times can be reduced. JEREMY HANLEY MP
Minister of State
Foreign and Commonwealth Office
London SW1

Good relations for twin towns

Sir: Regarding your article (25 June) "Don't be beastly to the Germans" you will be pleased to hear that in Tonbridge, Kent, we have very good relations with Germany.

On the 50th anniversary of the war, we and our twin town, Hensentstamm, each set up a 50 Year Peace Fund from which money has been available to give young people from families of limited means the opportunity to participate in twinning visits.

In addition, on alternate years, we in Tonbridge are given all the profits from our twin town's

money-making projects, and combined with our own profits, we are able to give to worthwhile causes in our area. In 1995, the magnificent sum of £1,400 was shared among local groups.

Perhaps if more towns twinned with German towns and villages there would be a greater understanding between the nations and the editors of certain shabby newspapers might realise the damage they cause with their twisted sense of humour. MARJORIE J STEWART
Tonbridge, Kent

IBM produces highest revenues

Sir: David Osborne alleges (report, 3 June) that Electronic Data Systems (EDS) is "the largest computer systems management and consulting enterprise in the world." You're off the mark. IBM is the largest services company in the world, not EDS.

In 1995, for example, IBM's services revenues were \$12.7bn, versus the \$12.4bn for EDS to which the report refers. But the gap is actually wider in favour of IBM. EDS's revenues include some \$3.9bn of General Motors' revenues, while IBM's do not include some \$3.5bn. Furthermore, if one were to add IBM's maintenance business of over \$7 bn, IBM's total global services would be almost double those of EDS. BOB DJURDJEVIC
President
Annex Research
Phoenix, Arizona

No logic in war crime accusation

Sir: The United Nations war crimes tribunal in the Hague has accused Radovan Karadzic and his military commander, General Ratko Mladic, of being "war criminals" ("Karadzic forced out of Bosnia elections", 28 June). While welcoming justice for all of the victims of the Bosnian conflict, it is difficult to understand the logic behind these particular accusations.

Although the Serbs undoubtedly committed the majority of war crimes in Bosnia the Croats and Bosnian Muslims are not completely blameless. What's more, except on grounds of political expediency, how is it that the Serbian leader, Slobodan Milosevic, who is surely the one who pulled the strings behind the scenes from the beginning of the conflict, is now absent from the list of indicted "war criminals". Now that Milosevic has become useful to the West presumably war crimes charges levelled against him at the height of the conflict are to be quietly forgotten.

Perhaps the only manner in which to understand these inconsistencies is to look back to the post-war Nuremberg trials where "war crimes" were only defined by the victors as those committed by the enemy and losers. TARAS KUZIO
Research Fellow
Centre for Russian and East European Studies
University of Birmingham

Is the academic grass greener?

Sir: Duncan Morgan (report, 27 June) compares, unfavourably, his remuneration for marking exam scripts to that of his plumber and washing-machine repair man.

What he forgets is that they are almost certainly self-employed, whereas I believe very few teachers are. The self-employed aren't entitled to sick pay, holiday pay or unemployment benefit, they have to buy all their own training or certification, pension and insurance, and they only get paid for the hours they actually work.

It would be very difficult to earn the £1000 he suggests in 40 hours in such jobs. The reality is likely to be two or three different jobs each day, only the time on the customer's premises being chargeable.

Permanent teachers are also in the fortunate position of having a job from which it is almost impossible to get the sack except for gross misconduct—this must be worth a lot in these days when most people (employees and self-employed) don't have anything like such security. LOIS WAKEMAN
Lyme Regis
Dorset

Sir: Does Hamish MacRae have any evidence for the claim ("Can we afford holidays?", 28 June) that university lecturers have long holidays? When term ends (50-60 hours work a week) the even harder work of research begins immediately. I suspect that university lecturers have shorter holidays than most. GALEN STRAWSON
Jesus College, Oxford

Legal problems of asylum law

Sir: Tomorrow the House of Lords will be asked to take away from asylum seekers the right to benefits which the Court of Appeal has just restored to them. Even if the Government were to win the vote, it would not be out of the legal wood ("Judges put the ante over asylum laws", 26 June).

The Court of Appeal ruled against the Government because their action contradicted an Act of Parliament. The Government, of course, sees no such contradiction, but the question whether two Acts of Parliament contradict each other is a question for the courts, not for the Government. It is beyond the power even of a sovereign parliament to make a contradiction not a contradiction.

By deciding not to repeal the earlier Act the Government is leaving the contradiction in place. The right to seek asylum, which the Court of Appeal found to be threatened by the withdrawal of benefits, is guaranteed not only by an Act of Parliament but by an international treaty (the UN Convention on Refugees 1951) which Parliament cannot alter. Since ministers are still proclaiming their adherence to that treaty they cannot rule out the possibility that some future judge may deliver a judgement beginning "Parliament cannot possibly have intended that..."

Earl RUSSELL
Liberal Democrat Social Security spokesperson
House of Lords
London SW1

Football for all

Sir: Germaine Greer ("Greer on Gazza: In his lumpy shorts, the idiot savant who won us all over", 28 June) misses the point when she portrays the partisanship of football supporters as male vs female. For all interested English persons last Wednesday, it was England vs Germany: team vs team.

It is an injustice to say that the female supporters in the crowd and at home are no more than parasites feeding off the thick air of testosterone. I challenge Ms Greer to sit in a crowd at Wembley after years of being a football supporter and not to feel as though her next breath were dependant upon the next move on the field. The relationship between team and supporters is the embodiment of our football culture, and without a doubt it exists regardless of gender.

I am sure I speak for every female football supporter when I say that I am astonished at the insinuation that I should be unable to experience the ecstasy, the desolation and the whole spectrum of emotions in between, simply because I am a woman. MIRANDA JEFFREY
Paris

Living on borrowed words

Sir: Bob Monkhouse has borrowed another man's remark for use on his 68th birthday ("Quote Unquote", 29 June). "If I'd known I was going to live this long I would have taken better care of myself" was first said by the American jazzman Eubie Blake years ago on the occasion of his (I think) 98th birthday. CHRISTOPHER GOSLAND
Bath, Avon

analysis

If you're hip, you must be Irish

No longer need they mask their roots: the Irish in Britain are proud of their origins. By Jack O'Sullivan

Amid general hand-wringing over the IRA's return to violence, you'll hear not a word from one group of Irish people. There are millions of them, but they haven't been on television discussing Friday's mortar attack on an army barracks. No one would even have thought to ask their opinions.

The Irish in Britain are politically invisible. They have tried to stay out of the Troubles: it was not they who blew people up; the bombers came almost exclusively from the Republic and Northern Ireland. And since the ceasefire, they – unlike Irish-Americans – have played a minimal role in shaping the peace. When outrages occur, John Hume, Ian Paisley, Sir Patrick Mayhew and John Bruton all make their predictable comments. But not this community in our midst that knows so much, feels so much and says so little. Like the Arabs in Israel proper, they are in every town; but they remain loyal, dutifully silent.

It isn't difficult to understand such diffidence. They have not always felt welcome. The witty Irish gentleman has long been acceptable in the drawing room, but his countrymen have often been less well-regarded.

The Duke of Wellington famously summed up English disdain when asked: "Sir, is it true you were born in Ireland?" The Iron Duke replied: "Being born in a stable doesn't make you a horse."

Popular images of the Irish man have portrayed him as a foolish, idle figure of fun. One Victorian contributor to Punch described him as "a creature manifestly between the Gorilla and the Negro." This community, which has seen Catholicism in Britain fully tolerated only since the 1830s and Irishness usually regarded as suspect, is reluctant to generate controversy.

The tide of hostility and the several miscarriages of justice



Gaelic celebration: a St Patrick's Day parade past the town hall was just one manifestation of Manchester's Irishness during its first annual Irish festival in March

Peter Greenfield

that followed Birmingham and Guildford pub bombings in 1974 served as a reminder to keep heads down. Twenty-five years of conflict in Northern Ireland did little to challenge perceptions of the Irish as irrational and violent. Ian Paisley's performance only compounded the problem by making Ulster Protestants additionally subject to prejudices

The signs said no Irish need apply. My parents had all the prejudice

against which Catholics alone had previously laboured.

But in this British community, whose size the census does not even measure (the best guess is 1 million Irish-born, 8 million of Irish descent), something extraordinary is happening. A remarkable surge in cultural self-confidence is taking place. We are seeing nothing short of the greening of

England, as the Irish in Britain set aside a traditional low profile, moving out of the ghetto, beyond enclaves of clubs and pubs and into the mainstream.

A swift pint in O'Shea's hints at the transformation. The Rocky Road To Dublin is belting out at a fierce pace. Behind the bar, the Irish Post, Longford Leader and Sligo Champion are on sale, there's a Powers Whiskey mirror, hurling sticks displayed on the wall and the drink is flowing. Denis Keegan, Guinness is, waxing on about how proud he is to be Irish. It all sounds like a typical, rough, Irish pub, hidden away in some deprived quarter of an English city, frequented by sad, down-trodden, reluctant exiles, given to nostalgia for the old sod.

But O'Shea's is no back street shebeen: it's in the centre of Manchester and one of the city's fashionable watering holes. The pub is a short walk from the Arndale Centre, which the IRA all but demolished a fortnight ago. A few years ago, such a pub would probably not

have existed. If it did, the publican would have boarded it up for fear of a backlash.

But old attitudes have been transformed. Manchester has not taken its anger out on the Irish community. Perhaps this is understandable: 20 per cent of the population has Irish roots. Many of the emergency workers interviewed after the bomb hit a tower for three days was named Danny O'Neill.

But an important reason may be a huge change in perceptions. Suddenly, Irishness is hip. "Irish culture is seductive. It has become a signifier for hedonism with soul," says Frank Cottrell-Boyle, a former scriptwriter for *Coronation Street*. "There was a decisive moment during the World Cup, when Ireland was there and England wasn't, when people came out as Irish who hadn't been before. Irishness could represent them on the world stage." And a fashion for the *craic* is surviving even the IRA's latest campaign.

O'Shea's is just one of 60 Irish theme bars opened in the Manchester area in the past couple of years. (One – Paddy's Rat and Carrot – was a bomb casualty.) In March, the city held its first annual Irish festival week, complete with a St Patrick's Day parade past the town hall. More than a thousand people currently play Gaelic football in the area. Planning permission has been granted for a huge, 13-acre centre celebrating Gaelic culture. Yet fresh migration from Ireland virtually dried up years ago: Manchester's vibrancy is built around a young generation, like confident young British

In London, Irish restaurants, such as Mulligans in Mayfair, are fashionable. The Royal Court in the West End is devoted to Celtic drama. Riverdance, U2, repeated Irish victories in the Eurovision song contest, the success of the Republic's football team and international popularity of the Irish president, Mary Robinson, have all made Irishness flavour of the moment. Extensive Radio 4 coverage of Hibernian arts, be it poetry, music or theatre suggests an ascendant culture. At a low-brow level, so many English stag parties now go off to Dublin for the weekend that the Irish government wants to stem the flow.

The sources of this new confidence are many. There was the arrival in the Eighties of a new immigrant wave, a third of them graduates, coming from a country where European Union membership has fostered a sense of modernity. Some, particularly the unskilled, have had problems. Shane McGowan (late of the Pogues) sings of the recession-hit building worker: "I'm buggered to damnation/And I haven't got a penny/To wander the dark streets of London." But many of the "Ryanair generation" have lived well, lifting back and forth on cheap airfares, using Britain as a staging post before heading on to Europe and the United States. No longer are the Irish the poor relations.

The second generation, those born of the Fifties immigrants, is particularly important. Better educated than their parents, they know how Britain works. They sound, in their desire to forge a special identity, like confident young British

Muslims. Just as Muslims have tapped into an international culture, while dropping their parents' yearning for a return to the homeland, so this second generation is at home here while still choosing to be Irish. It is, after all, this generation that has supplied the key players for the successful Irish Republic team. Stars such as Liverpool-born Jason McAteer and Aston Villa's Cockney midfielder Andy Townsend would have vied for an England place, had they not decided it was cooler to be Irish. Two decades ago, it would have been unthinkable for them to spurn the flag of St George.

Back in O'Shea's, Denis Keegan is one of many Mancunians whose parents were born in Ireland. Sounding as

Irishness has become a signifier for hedonism with soul

English as Bobby Charlton, his traditional Claddagh ring, trademark of the young, is the only outward sign of his origins. "It seems to be OK to be Irish," says Keegan, 30, a graduate, whose father was a labourer. "I used to be that the only place you could go was to old men's clubs down Stockport Road. But now there are so many places and your English friends come too. It's really in your face."

"My Dad came here 40 years ago and he worked his bollocks off. There were signs that no blacks or Irish need apply – my

parents went through all the prejudice. But the second generation doesn't know-low. A lot of people are more up-front than their parents. I was the first in my family to go to university. We have to stand up for ourselves and hold on to our culture."

Sean McGuire, 29, Manchester-born manager in a ceiling tiles company, thinks people are just beginning to let their Irishness become visible. He plays the flute, tin whistle, does Irish dancing and plays Irish sports. He seems, like some Irish-Americans, more Irish than the Irish themselves.

Melanie Conway, 27, a travel agent, is typical. "I used to say I was English. I would not say my parents were Irish, but now I say that I'm of Irish descent."

Jim Bryan, 36, a Manchester electrician, has even more tenuous links with Ireland: his father left Co. Galway as a baby nearly 70 years ago and has never returned. "I went back for the first time last year, met the relations. I loved it. Nice and slow, not like rushing at 80 miles an hour here in Manchester. We're keeping in touch now – exchanging Christmas cards. There's a bit of Irish in me, I think. When you come back, you realise you understand yourself a little bit better."

This tendency for the second and third generation to continue to feel Irish confounds many sociologists. The Irish were expected to assimilate quickly. This has, after all, apparently happened in the oldest Victorian, Irish settlement, on Merseyside. Few in Liverpool would now call themselves Irish. However, most give themselves a local identity

– Liverpudlian or Scouse – rather than the usual national one. And all the characteristics of Liverpudlianism – verbalness, Catholicism, high value placed on family, irreverence for the Protestant work ethic – are vestiges of their rural, pre-industrial ancestors. Liverpudlianism seems, in short, a mask for Irishness.

The newer Irish communities used a single mask: Catholicism. They attended Catholic schools, where, according to Mary Hickman's authoritative new study of the Irish in Britain, they learned to define themselves as Catholic rather than as Irish. Their public rituals – confession and catechism on Saturday, Mass on Sundays, a miniature wedding dress at seven for the girls' First Communion – distinguished them denominationally but not ethnically.

Now, as the power of the Catholic Church wanes and Irishness becomes less of a social impediment, this community appears to be seeking a more secular expression of difference. They are more self-aware: there are now popular degree courses in Irish Studies. Indeed, some university courses are over-subscribed, with many non-Irish students trying to gain a place. There is a campaign for the 2001 census to produce an accurate figure of how many Irish people live in Britain.

It is also worth knowing what they think about Northern Ireland. "No one agrees with violence or people getting hurt," says Sean McGuire. "People are keen on a united Ireland, but what happens over there does not directly impinge on us. There is no urgency to stand up and be counted. Peace is all that people want."

In Britain, Irish people discuss Northern Ireland among themselves, but it's such a touchy subject, that it would take someone with an awful lot of balls to tell the people of Britain what they should do. People would be afraid that if they started talking about politics, they would be accused of being IRA sympathisers.

"As the peace process got going, people started to talk more freely. I think now they will go back into their shells." There is, however, no sign that the revival in Irish culture will wane. "This is not an anti-British thing," says McGuire. "It's Irish blood running through the veins. Something to be proud of, not to be forgotten."

* *Religion, Class and Identity*, by Mary J. Hickman, Avebury Press.



Save money on your home insurance and spend a little extra on your home.



0800 333 800

Phone 0800 333 800 weekdays 9am-5pm. Source 0800 333 800. Not available in Northern Ireland.

Papa! Let the ads take a back seat

How do you visualise the typical TV car commercial?

I visualise it as Tom Conti falling off the top of a skyscraper, landing smiling on his feet, saying, "Handsprung durch Technik" and walking off into the sunset with a beautiful girl.

The only snag is that I don't seem to have included a car in the ad, but otherwise it represents a fair cross-section of car clichés. In fact, I sometimes think that the makers of TV car ads must be at their wit's end where to go next. They seem to have tried everything to make their client's car seem glamorous and romantic, yet trustworthy and reliable, safe yet sexy.

They have sent cars to the end of the world, they have brought cars back from the ends of the earth, they have filled them with exotic models, they have taken the exotic models out and put actors in, and made them enact little stories, tiny playlets, in which as often as not a French girl gets to say "Papa".

Very occasionally they have even taken the actors out and put real people in cars in real situations like a fast-moving traffic jam. Recently they have started getting silly as when, in the case of the Renault Mégane ads, they started making the car talk. When a car starts talking in an ad, I think we are running out of ideas. It only remains for a car to call another car "Papa".

People who make car commercials must now sit around at meetings and say things like: "There is absolutely nothing left to do in car commercials unless you want to have the car fly through the air!"

And somebody else says: "That's been done, too."

"Well," says somebody else, "we could always as a last resort take the mickey out of cars."

"How?"

"Well, sort of deconstruct them by doing a piss-take of them. Look, you could start off a car commercial with an exotic location, you know, then a shot of an iguana, twisty mountain road, glamorous drivers, funk music over, then a



Miles Kingston

voice comes in saying, "We don't need all this junk! The car says it all!"

"And then what?"

"Well, you get the camera to pull back. You see that the car is not actually in the countryside, it's on a stand in front of a film of the countryside. You put out the lights, fade down the funky music and you're left with a studio in which everything is fake and tawdry – except the car!"

And now this has actually been done. I am sketching a description there of the new TV commercial for the Mitsubishi Carisma, which not only breaks the barrier of the spelling of the word charisma, but breaks the mould of car

ads by sending up car ads. At the end of the commercial the only person visible is not a glamorous actor but a cleaner with a brush, sweeping round the glittering car, and – nice touch this – roughly whistling the music we've just heard faded down on the funky mouth harp.

Of course, the voice-over doesn't end by saying: "The car says it all", because that might remind people of the Renault Mégane, which seems to have cornered the market in talking cars. So the voice-over says: "The car has it all". But otherwise it seems to be the first honest car ad, because what it is saying in effect is, "WE know and YOU know that car ads are all cosmetic, so we are going to be the first to come out and admit it and just concentrate on the car!"

This message is a slightly dishonest one in that the ad doesn't tell us anything about the car at all except its name and what it looks like – nothing about the performance or how many people can get in it or whether it is licensed to

have weddings celebrated in it. No, this is in effect the first car commercial about other car commercials.

"This is an ad for the Mitsubishi Carisma," it is saying. "Why should you buy a Carisma? Because Mitsubishi are the kind of people who don't need to make TV ads. That's why we made this ad. To tell you that we're not making it. Don't believe us. Believe what the car says. Not that it talks..."

Where do they go next? If we now have an ad saying we don't need ads, where do the ad boys go from here? Will we have a sunset, a car driving up, two glamorous people getting out of the new Dippin Oregon Hatchback and one saying to the other, "You know, I didn't believe the car commercials until I drove the Oregon?" Or will we see an actor sitting in a new car saying, "You know, I could have made a lot of money doing this ad. But I preferred to keep the car instead?"

I don't know. But I shall be interested to find out. Well, moderately interested.

هكذا من الاجل

Le Pen skilfully stokes the nationalist fire

French politicians, of both left and right, don't know what to do about the racist appeal of the 'Front National'

While the European football competition was generating a wave of irrational anti-German feeling in the British tabloid press last week, France was having a similar but more serious experience. Jean-Marie Le Pen, leader of the *Front National*, laid into the national football team, saying it was artificial to get players from abroad and baptise them as French, particularly as most of them either failed to sing the Marseillaise or appeared to sing the Marseillaise that didn't accord with the actual text.

Indeed, while the players are all French citizens, one was born in Ghana, another has dual Portuguese/Italian, Algerian or Tunisian parents or can claim Spanish or even Armenian grandparents. As for singing, the captain said that he preferred humming: a second disapproved of the Marseillaise because it was a war song; and a third said that he was only capable of singing Basque ditties in the team bus.

Football in France has been like boxing in the US – the newest immigrant group uses it as a method of climbing the ladder. By 1940, 25 players of foreign origin had represented France. Football was so weakly rooted that it needed an infusion of talent from abroad. Since 1945 this foreign

legion has grown and accounts for 15 per cent of French professional players. The inflow into French teams has mirrored successive waves of immigration: Polish, Italian, Spanish, Portuguese and African. With this history, football is less the national game in France than it is in England, Italy or Spain. The French establishment sees it, along with other sports, as a powerful instrument of integration. M. Le Pen, therefore, was not criticising a new turn of events but a familiar situation. Mainstream political leaders, each one of whom fears him and his party, unanimously condemned him.

M. Le Pen made his comments within a few days of having obtained a signal victory over the French press. Using the courts, he forced *Le Monde* and others to give him a "right of reply" in response to its description of the *Front National* as a political party of the "extreme right". M. Le Pen objected; he was anxious to tell readers of *Le Monde* that the *Front National* was neither racist, nor xenophobic nor fascist. It was neither of the right nor of the left; it was *le parti de la France*. In fact, the difference between plain right wing and the extreme or far right does lie in attitudes to race. John Redwood recently defined Conservative ideology as believing that the state should be at once limited in its role



ANDREAS WHITTAM SMITH

'We are going straight towards an ethnic war'

and duty and yet strong in its chosen tasks, particularly in enforcing a strict moral law. Mr Redwood's formulation made no mention of preserving Britishness as an objective. When ethnic issues are brought into consideration, right wing becomes extreme right. Strong nationalistic sentiments such as Michael Portillo expresses are a step along the path. Then as nationalism becomes racism, it becomes far right or extreme right.

In his right of reply, M. Le Pen was engaging in a great pretence. Since 1973, the programme of the *Front*

National has centred on the survival of a French identity refined, as it believes, through 4,000 years of European culture, 20 centuries of Christianity, 40 kings and two centuries of the Republic. One enters into French nationality, says Le Pen, by "blood received, or blood spilt" – chauvinism, after all, goes back to the blind admiration for his country shown by Napoleon's soldier, Nicolas Chauvin.

In practice, the *Front National* has been ambiguous in its public statements, being, in Alexander Pope's words, "willing to wound and yet afraid to strike". Thus M. Le Pen last March: "Only the people is capable of sensing, by a sort of biological intuition, the moral danger that blights its future." In this context, "biological" is a word from a racist vocabulary. Or a colleague of M. Le Pen: "We are going straight towards an ethnic war and that war will be total." In Bosnia or in France? Or another who scarcely fudges at all: "The nationalists are treated like dogs or pariahs. One will only be done with this situation by reacting vigorously. One must kill one's enemy. The Israeli right has killed Rabin and won the elections. I don't mean that it is necessary to kill Chirac, but we must stop having a position of respect or of consideration." These are alarming sentiments, all

the more so in light of M. Le Pen's success in the recent presidential election, when he attracted 15 per cent of the votes. The mainstream parties fear that if this share of the poll were to be repeated in the 1998 elections for the National Assembly, where the *Front National* is unrepresented, then M. Le Pen could hold the balance in a hung Parliament. As a result, some French politicians, led by François Léotard, met last month to attempt the construction of a "republican front", in which the mainstream parties, both of left and right, would put forward only one candidate in contests where the *Front National* has a chance of winning. These proposals have been met with scepticism. One reaction is that one should not disabuse the *Front National* because only a small proportion of its electors are extreme and because, anyway, its very weight already gives it a legitimacy.

Thus we see how the clever, aggressive, dangerous M. Le Pen makes progress. I wonder what he would reply if he was asked about the prospects for a party similar to his in the UK. Would he say: "A hopeless case: not enough social distress, too little ethnic tension, only sporadic hatred of foreigners, tradition of tolerance too strong? Or would he respond, "Yes, promising situation?"

The seed that fell on bare ground

The state of my lawn, writes Michael Hutchinson, reveals that Major is soon to be put out to grass

April 9th, 1992 may have been the day that John Major won his improbable victory at the polls, but it was also the day I turfed my lawn. I live in London but, like many people, dream of living in the country – something that is much easier to do while lying on the grass.

So when I moved in to my terraced house in spring 1979, I rejected the patio concept, and laboriously excavated sycamore roots, endless lumps of rubble, and a surprising number of Victorian beer bottles, to create the perfect lawn: 15 foot square. After gentle raking, feeding, seeding, and erection of a Heath Robinson system of nets to keep birds and the neighbours' cats away, all I had to do was wait.

Facing south and surrounded by high walls, the lawn thrived and by 1983, it was an ideal place to daydream staring at the sky and counting Jumbos. Friends and neighbours complimented me on the immaculate stripes and said how unusual it was to have grass in such a small garden.

1983 was a high point for Chateaufort du Pape, Margaret Thatcher – and my lawn. But by 1987 it was showing signs of neglect due to long trips abroad, and damage caused by the wheel of an ancient hand mower my grandmother had brought back from India well before Independence. It was small, but incredibly heavy, and bulldozed as much as it cut.

In June 1987, I bought a lightweight electric mower, in order to prevent further mechanical damage and, for a while, things did get better. But by the time the stock market crashed, it looked as if the writing was on the wall – not only for the economy and the Tory government, but for the lawn as well. The slow decline continued until spring 1992, when John Major decided to call an election, and I decided to start again and lay new turf.

Despite these apparent coincidences, it's only recently that I've come to realise that thanks to an inexplicable and uncanny accuracy mechanism, the condition of my lawn somehow provides a graphic representation of the Tory's majority in Parliament.

Given that some people can do the same thing with tea leaves, sheep's entrails, and even opinion polls, I see no reason whatever to doubt that

my lawn has the gift of prophecy. My only dilemma is whether William Hill or John Major will pay the best price for its services.

Last summer, when the Eurosceptics started to whinge about Brussels and John Redwood challenged John Major to a "conquer" fight, a small patch of moss appeared in the far right-hand corner. When raked this turned into a bald patch of earth which steadily grew larger. In the past, this has been successfully repaired with a sprinkling of new seed, but just as recent by-elections have made it impossible for the Tories to sow any new seed, the drought of 1995 did the same for my lawn.

Then there's the cherry tree. I planted this years ago as a spindly little sapling attached to a massive 2-inch pole. Seventeen years later, its girth is

I see no reason to doubt that my lawn has the gift of prophecy

tremendous, its blossom has been spectacular (especially after last year's summer), and its branches provide welcome shade from the sun where our baby daughter can play. But grass needs light, and the painful truth is that the majority of the lawn is no longer really grass – just as the majority of MPs are no longer Tories. Moss from the right has met the bare earth caused by shade from the tree on the left. A small patch of grass remains in the centre near the French windows, but the word "lawn" is really no longer appropriate, just as the word "government" no longer seems appropriate to what the Tories are up to.

I wouldn't dream of chopping the tree down, but the lawn can't survive unless it goes. So perhaps I should write to inform Downing Street that on Thursday 4 July, work starts to replace the vestiges of a working lawn in Sedlescombe Road with a new patio paved with tiles in a tasteful shade of terracotta red.

I imagine the lawn at Downing Street still looks as good as ever, but then you'd hardly expect a politician's lawn to give a frank opinion about anything.

The welfare state has grown both inefficient and expensive. Labour has begun to offer tentative proposals for its reform. But radical changes are needed

How to open the benefit trap

By Frank Field

The first fruits of Labour's review of social security, which were revealed last week by Chris Smith, stretch to the limits the possibilities of action within the present system of taxation and social security. There are two compelling reasons why radical reform isn't merely an option but a necessity for Labour.

First, the hard truth the country has to face is that more, not less, needs to be spent on welfare. Yet under existing rules taxpayers are understandably reluctant to pay more. And second, the social security budget is growing at a rate – twice that at which the economy has been growing – which, unchecked, will financially derail the next Labour government.

A moment's reflection tells why more needs to be spent on welfare. Working lives have shortened and decades now are spent in retirement. An adequate retirement income depends on saving more now.

Paradoxically the message of spending more on welfare comes at a time when the welfare budget is already growing like topsy. Each year the budget overruns by £3bn only to overrun again by a similar amount in the following year. The social security budget is not only by far and away the largest of all government budgets, but is increasing faster than any of the others. To embellish former mandarin Sir Geoffrey Holland's observation, other departments are left to scavenge the scraps that fall from the table upon which welfare feasts. The uncontrollability of this budget increasingly makes prioritising government business difficult. It wasn't for nothing that Aneurin Bevan remarked that priorities were the language of socialism.



How can a future Labour government break free of the curfew DSS expenditure would impose on most of its major initiatives? By addressing that question Labour begins the big debate of the Millennium. It involves recasting the relationship between the state and the individual, of switching the balance away from centralism towards other forms of collective association, as well as re-drawing the border between the public and private domain.

At the centre of today's welfare turks a cancer that has been nurtured by the Tories. While expenditure on insurance provision since 1979 has risen by under 30 per cent, means test costs have soared by 300 per

cent. Means tests trample upon those basic instincts that help to sustain civilised progress. Means-tested help depends on low income and small savings. Such benefits therefore penalise work, savings and honesty.

In their craving for extending means-tested assistance, the Tories have launched the most significant attack ever by government on both the individual and the nation's natural drive for self-improvement. And they have implemented their approach with a ruthlessness that the leaders of the old discredited Soviet regime would have admired.

Disengaging from this welfare nightmare demands wholesale reforms. Tory failure has

closed the option for limited incremental change. The hour demands the most radical reconstruction.

Labour's overriding commitment must be to begin a progressive disengagement from means-tested assistance. This cannot be achieved overnight. It will take perhaps 20 years to complete. But the first steps of that long journey need to begin with the advent of a Blair government.

Four major initiatives are required. The poor law is alive and well in Britain. Claimants for income support only gain help if they withdraw from the labour market. This final vestige of the poor law must be abolished. All claimants of

working age should be invited to think what they want to do with the rest of their lives. They should be able to use their income support payments to help achieve the next stage in their career.

Next, a new system of insurance benefits must be introduced. A new insurance corporation should be established and owned by the members themselves, and work begun on introducing two new benefits.

The Job Seekers Allowance needs replacing with insurance cover for unemployment. This new benefit would run for six months, as does the Job Seekers Allowance. The big difference is that people would be qualified for benefit after 13

weeks rather than two years. As every week out of the labour market increases unemployment, this would give risk-takers an incentive to return to jobs with what might be a short shelf life.

Also, the partner's job would be safeguarded, as households would not be pushed on to means tests where it pays most wives not to work. New jobs would become more fairly shared between those households with no workers and those with many. Similarly a new care pension is an urgent reform. Here again is an opening for the new, collectively owned but non-state insurance corporation.

Third, pension provision must be made adequate and universal. A new pension corporation would be responsible for running the existing retirement pension, which will cover all workers. The four million workers on low earnings who currently pay nothing towards a state retirement pension would be brought within the scheme and a pension in their own right. Next, second pension coverage must also become universal for workers earning above a modest level. Those workers not in a company or a private pension scheme would be required to begin saving towards a second, funded pension.

This reform extends the existing system of compulsion so that it covers everyone and thereby does what is possible to ensure adequate retirement incomes for today's workers.

Last, the issue of fraud must also occupy the centre stage. The largest of all government budgets is under sustained attack by serious criminal fraud. Even someone with Peter Lilley's determination has yet to mount an adequate counter-fraud strategy. Here is another opening waiting to be seized. Only Labour appears ready to be tough on fraud and tough on the causes of fraud.

... and give people a living wage

Cheryl sews frills on petticoats, earning £10 in 10 hours. Carol earns £2.50 an hour cleaning offices at four in the morning. Diane is paid £2 an hour cleaning in a pizza restaurant.

A minimum wage is one of the most radical policies new Labour has left, offering a real chance of escape from the benefit trap – albeit at a price. The cost of this policy is honestly assessed in a persuasive report today published by the Employment Policy Institute (*Employers and a National Wage by Fred Bayliss*).

There are a great many Cheryls, Carols and Dianes. Some 72 per cent of waitresses are paid under £3.50 an hour (Labour's presumed minimum wage rate). So are 36 per cent of textile workers. Nearly everyone paid under £3.50 is a woman part-timer, which explains the continuing chasm between men's and women's pay. (Women manual workers get only 75 per cent of male manual wages.)

Women can only afford to do these jobs because they have working partners, so when people talk anxiously about the huge growth in women's jobs compared to men's – another death blow to men's self-esteem – this is the unappealing explanation. Against the minimum wage is political anxiety. It is a perilous policy for Labour – redolent of the old days of the Prices and Incomes Board. For the red rose party with mobile phones, the minimum wage looks like a cloth cap and an old knapsack worn over an Armani suit. It carries the baggage of trade unionism, tainted with an anti-market crude egalitarianism.

Some economists argue that if wages went up, employers would sack many of the low-paid. How can we compete with the tiger economies if we pay our workers so much more than they pay theirs? And what about wage inflation? Wouldn't everyone scramble to keep up their differentials?

Dr Fred Bayliss, former chairman of the Employment Policy Institute, interviewed employers who would be most affected. Other surveys have questioned all employers: the Reed survey last week found 49 per cent of employers approved of a minimum wage. But those who pay above the likely minimum wage support it because they expect to clean up when more marginal businesses go to the wall. Small supermarkets, for instance, pay lower wages than big chains, who mostly already pay above Labour's presumed minimum wage level.



POLLY TOYNEBEE

The Bayliss survey tried to find out which businesses would suffer the worst damage. The answer was caterers, cleaners, hairdressers, private health care and clothes manufacture. Bayliss concludes that most low-paid jobs are in services, not manufacturing, so they are not competing with tiger economies. The demand for services is unlikely to decline. Employers will put up their prices to cover the cost, secure in the knowledge that everyone else will do the same. Some small firms will go to the wall, but their business and jobs will be swallowed up into bigger enterprises. People will still eat pizzas and hamburgers, still get their hair done and go into old peoples' homes, even if it costs a bit more.

Those most at risk are the 250,000 clothing workers, whose companies really are competing with cheap

imports. Although a minimum wage will be a blow, however, it will be of far less significance than the chill winds from abroad that the industry has faced for the past 100 years, says Bayliss. Problems in one fairly minor sector hardly justify ditching the good it will do elsewhere.

The best argument for a minimum wage is Labour's welfare-to-work strategy. A lot more people will be urged off Income Support and into work topped up with Family Credit. But without a minimum wage the state will subsidise ever more marginal, lame-duck or Scrooge employers.

These days, new Labour cannot espouse many other serious methods for helping the poorest. It cannot put up benefits (and anyway that only makes the poverty trap worse). It cannot significantly redistribute income through the tax system – those days are gone and the voters will not stand for it. But a minimum wage, paid for in price increases (just as consumers absorbed the cost of VAT increases) is one of the best practical ways to help the poor without more welfare dependency and an unelectable tax system.

The rate would be universal but could be phased in gradually – and it

would be printed on every benefit book, posted in every post office and policed by the same pay-roll inspectors that check national insurance contributions. No exemptions or variations or added complexities, easy to understand and reviewed every year.

Some people will be shaken out of jobs. Some small employers will go to the wall. But in the main, the same jobs will still be done by the same people, if sometimes for different employers. In other words, the costs are sustainable in view of the benefits.

No doubt the Tories will represent Labour's minimum wage policy as a dangerous job-destroyer. This is a prize piece of humbug from a party that has congratulated companies for their efficiency in the widespread slashing and burning of jobs, which has left firms severely downsized, with thousands more out of work and dependent on the ever-growing social security bill.

Labour has to acknowledge that some jobs might be affected by the introduction of a minimum wage, but it can point out, with passion, that the great majority of Cheryls, Dianes and Carols will benefit. And the clincher is that it will draw others currently trapped on state benefits back into productive employment.

INTRODUCING A NEW APPROACH TO HEALTH. VISITING A DOCTOR WHEN YOU'RE WELL.

As any doctor will tell you, prevention is better than cure – and that's the simple idea behind BUPA Health Monitor: a programme of preventive care which can help detect the early signs of health problems.

There's a full health assessment – covering a range of tests from blood analysis to cardiovascular fitness. We then continue to monitor your health and even assign you a personal health adviser to help you maintain or improve your overall level of health.

BUPA Health Monitor is available to everyone, not just BUPA members. For further information, or to make an appointment, phone 0800 616 029 quoting reference BUPA E2, or fill in the coupon below. But do it now, while you're well – and stay that way.

Please post to BUPA Health Monitor, FREEPOST, London WC1X 8BR. Reference BUPA E2. You don't even need a stamp.

Name (Mr/Ms/Mrs/Ms) _____

Address _____

Postcode _____

Tel (day) _____ (eve) _____

You're amazing. We want you to stay that way.

BUPA Health Monitor

Christopher McCall QC, Launcelot Henderson (Inland Revenue); Andrew Thornhill QC, Giles Goodfellow (Herbert Smith) for Unitholdings.

[illegible]

House prices to rocket 10% in 'mini-boom'

TOM STEVENSON
City Editor

House prices in Greater London and the South are set to rise by 10 per cent a year for the next two years as the housing market embarks on a forecast "mini-boom".

Rising real incomes, together with building society windfalls, lower taxes and the best affordability for 25 years mean prospects are brighter than at any time since the late 1980s. The forecasts from Deutsche Morgan Grenfell, the German-owned investment bank, chime with the "golden scenario" expected by Ernst & Young's latest economic model, showing consumer spending growing at its fastest rate for eight years. Spending is forecast to grow at 4 per cent in 1997, up from 2.7

per cent this year. Both Deutsche and Ernst & Young expect the strength of the housing market and high street to lead to a rise in interest rates next year, especially if the Chancellor is tempted to drop the cost of borrowing even lower this year for political reasons.

Paul Druop, chief economist at the Ernst & Young item club, an independent economic modeller, warned: "Interest rates will almost certainly need to rise in 1997 if the UK is to turn the bright short-term outlook into enduring low-inflation growth. Any further interest rate cuts this year will only make these subsequent increases all the more important."

Ernst & Young sees an improving housing market as being an important factor in an

acceleration in the UK economy's growth rate from 2.2 per cent this year to 3.3 per cent in 1997. Falling interest rates, tax cuts and improving export market conditions, as Europe recovers, are expected to revitalise the economic environment over the next 18 months and allow unemployment to fall below 2 million.

Although inflation is expected to fall below the Government's target of 2.5 per cent by early next year and to average around 2.25 per cent during 1997, the anticipated robust consumer recovery could see inflation rising above 4 per cent in 1998. Ernst & Young believes the Government will need to raise interest rates to 7 per cent by the autumn of 1997 to keep a lid on rising prices.

According to Deutsche Morgan Grenfell, the signs of housing recovery have been building steadily this year, with the Halifax house price index up 10 per cent on an annualised basis so far this year and mortgage approvals at a seven-year high. The Halifax index has risen for 10 consecutive months, so that prices in May were 4.6 per cent higher than a year ago. That represents the highest level of house price inflation since October 1989.

Deutsche's report, which is published today, added: "The question now is not so much



Selling like hot cakes: Analysts expect a substantial rise, particularly in the South

whether the recovery can be sustained, more what type of recovery it will be and what chance there is of a return to a housing boom."

Factors acting against a boom similar to those experienced in the early 1970s and late 1980s include changing demographics, cuts in tax breaks such as Miras and a hangover from the sharp fall in house prices in the early 1990s which led to 330,000 homes being repossessed, 650,000 households being unable to keep up with mortgage repayments and 2 million living with mortgage debts higher

than the value of their homes. Despite fewer first-time buyers and greater caution among buyers and lenders, however, the bank still expects prices on average to rise by 6 per cent this year, 8 per cent in 1997 and almost 9 per cent the following year.

The greatest potential for house price growth lies in Greater London and the South, where Deutsche calculates values are lowest compared with their long-term equilibrium level. While houses in the West Midlands are within 3 per cent of the long-run relationship

between prices and incomes, in London they could be as much as 30 per cent undervalued on that measure.

As a result, Deutsche forecasts average price rises in the capital of 11 per cent in both 1997 and 1998 after an 8.5 per cent increase this year. If Deutsche's forecasts are achieved, a house worth £150,000 at the beginning of 1996 will have appreciated to £220,000 by the end of 1998.

The effect of rises of that magnitude would be to almost eliminate negative equity by the end of that year.

Sugar serves Betacom an ACE

TOM STEVENSON
City Editor

Amstrad will announce today the injection of its loss-making consumer electronics business into Betacom, the separately quoted telephone equipment distributor it controls. The deal is being seen as a possible precursor to a takeover by Alan Sugar of Betacom, allowing the Amstrad chairman to continue his long involvement with the electronics industry after the planned takeover by Psion of the company he founded.

Although the transfer of Amstrad Consumer Electronics (ACE) to a company which is 67 per cent-owned by Amstrad is on the face of it little more than an internal housekeeping affair, it is understood to be crucial to the putative takeover that emerged last week.

Psion has said that its interest in Amstrad lies in Dancall, the group's mobile telephone manufacturing operation, its cash pile and possibly Vigen, a computer manufacturer. There was never any doubt that ACE, which has failed to make a profit for three years, would be disposed of in some way.

News of a quick and easy exit from consumer electronics would reassure investors in Psion who last week pushed the personal organiser maker's shares 25p lower to 350p as they worried about the effect the loss-making businesses would have on the enlarged group. The takeover, for shares, of

a company almost as large as itself, is seen as a high-risk strategy for one of the stock market's most successful companies in recent years. David Porter, Psion's chairman, said last week that he viewed the acquisition of Dancall as a key step in maintaining Psion's position in the fast-converging worlds of computing and telecommunications.

Betacom's shares are expected to rise sharply today as investors reflect on the potential to absorb ACE's revenues at little additional cost. Possibly 100 of ACE's 130 staff would not be taken on by Betacom and the reduction in overheads is expected to push ACE back into the black.

That would boost profits at Betacom, which last year made £430,000. In anticipation of some sort of deal, its shares rose 5p to 14.5p last week, valuing the company at just £9.7m.

Buying Betacom would represent fairly small change for Alan Sugar, who will be left with about 17 per cent of the enlarged Psion after any deal is struck between the two companies. At a proposed takeover price of 200p a share, Mr Sugar's stake in Amstrad is valued at around £80m.

So far speculation over his future has centred on Tottenham Hotspur, the premier football club he chairs. Analysts believe he harbours ambitions to create a rival, in commercial terms, to Manchester United, valued at more than £250m.

Railtrack contracts to cost 4,000 jobs

MICHAEL HARRISON

More than 4,000 jobs are likely to be shed by rail maintenance companies following the privatisation of the industry and the signing of tough new contracts with Railtrack, it has emerged.

Under the new agreements with Railtrack, owner of the country's track, signalling and stations, the seven former British Rail infrastructure maintenance units are facing a 20 per cent reduction in revenues over the next five years.

The contracts, together with track renewal work, are worth £1bn a year and are the area of costs that Railtrack has identified for the biggest savings.

Eddie King of Amey Railways, new owner of BR's former Western maintenance unit covering the Paddington to Penzance line, estimated that it would have to cut its 2,500-strong workforce by about 600 over the next five years.

The six other maintenance companies will have to make similar or even bigger job cuts to improve productivity and offset the reductions in revenues. The Western maintenance unit had already shed 1,600 jobs in the two years leading up to privatisation but some of the other maintenance units are still operating with inflated BR-style staff levels.

Job cuts are also likely among the six former BR track renewal units which have about £200m worth of contracts with Railtrack a year.

Instead of building in annual reductions in the revenues they can earn, Railtrack has agreed that increasing amounts of work can be put out to competitive tender.

Kingfisher among potential predators eyeing Wickes

MATTHEW HORSMAN

Leading DIY retailers, including Kingfisher, are taking a close look at troubled Wickes, and might consider bids for the company once the extent of the profits overstatement scam that emerged last week is confirmed. Wickes hopes to report within two weeks.

"Of course we are taking an interest, although it is too early to expect anything dramatic," a source at Kingfisher, which owns the B&Q chain, said yesterday. Despite the problems, "Wickes are quite highly thought of, and are an excellent brand".

Another DIY industry source added: "Wickes would be a welcome addition to many companies in the sector. They have a reasonable market share, and good quality shops."

But Boots, owner of AG Stanley and Do It All, is unlikely to be interested, insiders indicated yesterday. The company has just bought the half of Do It All it did not already own from

WH Smith, and has said it will seek to close as many as 60 shops. It is believed the company is not looking to expand further in the DIY sector.

Auditors are continuing their investigations this week into controversial discount schemes between suppliers and buyers at Wickes, attempting to calculate the amount by which the company's profits have been overstated in the accounts.

Insiders suggested yesterday that the cumulative overstatement since 1990 was likely to equal the company's operating profits of £30.8m in 1995. The extent of the scam has shocked some industry executives, although one said yesterday that "there had been industry rumours for some time" because of the company's ability to weather even significant downturns in the economy.

The overstatement relates principally to payments made by suppliers to secure contracts with Wickes. Common in the industry, the "golden hello" payments in Wickes' case were



Out: Henry Sweetbaum

often payable over two or three years, even though the company accounted for them in a single year, thus inflating profits and thereby bonuses for management.

Similarly, suppliers were allowed to increase prices in subsequent years to offset cash payments earmarked for in-store promotions and other marketing schemes.

At the heart of the scam is the apparent connivance of at least

some suppliers. Investigators are also trying to determine who at Wickes was directing the large-scale cover-up needed to keep auditors in the dark after year after year. "We are trying to determine who knew, and when they knew it," a source close to the investigation said yesterday.

The inquiry widened late last week to include the former finance director, Trevor Llewellyn, now at building materials company Caradon. Two executives were also suspended last week, although they are helping with the investigation.

Copies of some of the secret agreements were given to Stuart Stradling, the company's current finance director, 10 days ago, prompting last week's dramatic events, including the resignation of Henry Sweetbaum, the group's chairman and chief executive, and a halving of Wickes' share price. By Tuesday, when the shares were suspended, the company was worth just £260m.

Wickes has 108 shops in Britain and 40 on the Continent.

Three million seek Reward

NIGEL COPE

Sainsbury's signed up three million members to its Reward loyalty card in the week following the scheme's launch. The supermarket group said it had achieved the 2-4 per cent sales uplift required for the scheme to cover its costs but the sales increase so far is thought to be at the lower end of expectations.

Sainsbury's hopes the Reward scheme will be taken up by 6-7 million of the 9 million shoppers who pass through its stores every week. That figure would still be less than the 8.5 million customers who hold a Tesco ClubCard, which was launched more than a year ago.

With Sainsbury's claiming that more than 3 million customers hold its ABC card and with Asda testing a scheme in 18 of its stores, it could mean that almost 20 million supermarket cards would be in circulation. Many customers would hold more than one.

The high numbers add weight to the argument that as the number of cards in circulation increases they become less effective. The supermarket groups are under growing pressure to add more and more services and promotions to their schemes to differentiate them.

Sainsbury's launched its Reward scheme on 17 June after chairman David Sainsbury had initially dismissed rivals' versions as nothing more than "electronic Green Shield stamps".

Asda chief executive Archie Norman last week described the mass launch of cards as part of the "culture of sameness" afflicting the industry. He said Asda preferred to offer lower prices on the shelves now.

Jersey moves to protect accountants

ROGER TRAPP

Jersey is expected to pass legislation this week to protect accountants and other professional firms from being wiped out by negligence claims. The move comes amid speculation that the UK government is ready to stem the flight offshore of professionals by introducing its own reform.

The measure due to be debated in the States of Jersey legislature tomorrow has been developed with the aid of big six accountancy firms Price Waterhouse and Ernst & Young. If approved, it will allow

large professional firms registering in the Channel Island to protect the personal assets of partners by becoming limited liability partnerships in much the same way as their US counterparts have done by setting up in the state of Delaware. The Isle of Man and Guernsey are also thought to be planning their own versions of the law.

But the fact that large firms of architects, surveyors and lawyers have expressed interest in following the leading accountants offshore has alarmed Deputy Prime Minister Michael Heseltine, who is known to be concerned that it could reduce

the standing of the City of London as a financial centre.

At recent meetings organised by the Cabinet Office between representatives of the large firms - including KPMG, which has responded to the problem by turning its audit arm into a limited company - and government officials it has been indicated that ministers might be prepared to amend the law.

At present, limited liability partnerships are allowed subject to tight restrictions that render them difficult to operate.

The development is encouraging to the accountancy profession, which saw its lengthy

STOCK MARKETS

FTSE 100

Index	Close	Week's chg	Change%	52W High	52W Low	YTD%
FTSE 100	3711.00	-11.3	-0.3	3857.10	3639.50	4.09
FTSE 250	4393.20	-87.5	-2.0	4588.80	4015.30	3.43
FTSE 350	1870.90	-12.7	-0.7	1945.40	1816.60	8.94
FT Small Cap	2190.98	-41.5	-1.9	2244.36	1954.06	2.97
FT All Share	1858.33	-14.5	-0.8	1924.17	1791.85	3.86
New York	5654.63	-50.6	-0.9	5778.00	5032.84	2.17
Tokyo	22530.75	-58.2	-0.3	22686.80	19734.70	0.707
Hong Kong	11020.90	+155.6	+1.5	11594.99	10204.87	3.381
Frankfurt	2961.39	+21.3	+0.8	2973.69	2253.36	1.631

Source: FT Information

INTEREST RATES

UK Interest rates

US Interest rates

Money Market Rates

Index	1 Month	3 Month	6 Month	1 Year
UK	5.75	5.81	7.00	8.46
US	5.38	5.54	6.72	6.22
Japan	0.41	0.69	3.18	2.70
Germany	3.25	3.60	6.51	6.93

Bond Yields

Index	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
UK	5.75	5.81	7.00	8.46	8.01	8.49
US	5.38	5.54	6.72	6.22	6.81	6.63
Japan	0.41	0.69	3.18	2.70	-	-
Germany	3.25	3.60	6.51	6.93	7.06	-

MAIN PRICE CHANGES

Index	1 Month	3 Month	6 Month	1 Year
Amsterdam Int'l	1045	49	4.8	468
CHG	658	30	4.8	69
Guinness	468	19.5	4.3	140

CURRENCIES

£/\$

£/DM

Pound vs.

Index	Close	Week's chg	Tr. Ago
\$ (London)	1.5638	+1.36c	1.5645
\$ (NY)	1.5405	+0.25c	1.5665
DM (London)	2.3651	+1.04pt	2.425
¥ (London)	170.423	+12.582	156.00
₹ (London)	86.3	+0.4	86.5

Dollar vs.

Index	Close	Week's chg	Tr. Ago
£ (London)	0.6436	-0.57	0.639
₹ (NY)	0.6421	-0.11	0.638
DM (London)	1.5222	-0.87pt	1.55
¥ (London)	108.065	+10.695	99.77
₹ (London)	97.2	unch	96.1

OTHER INDICATORS

Index	Close	Week's chg	Tr. Ago
Oil Brent	18.91	+0.85	16.37
Gold	382.00	-1.65	385.70
Gold \$	248.32	-2.77	242.44
Base Rates	-	-	5.75pc 5.75

Revised Interest Rates For Accounts No Longer Open To New Investors.

Amended Investment and Savings Rates. Effective from 1st July, 1996.

Minimum Investment	Gross*	Gross CAR**	Net†
Instant Access Account			
£50,000+	3.40%	-	2.72%
£20,000	3.15%	-	2.52%
£10,000	3.00%	-	2.40%
£5,000	2.50%	-	2.00%
£2,500	2.30%	-	1.84%
£500	2.10%	-	1.68%
£250	0.35%	-	0.28%
£100	0.10%	-	0.08%
Half Yearly Instant Access Account			
£50,000+	3.37%	3.40%	2.70%
£20,000	3.13%	3.15%	2.50%
£10,000	2.98%	3.00%	2.38%
£5,000	2.48%	2.50%	1.98%
£2,500	2.29%	2.30%	1.83%
£500	2.09%	2.10%	1.67%
£250	0.35%	0.35%	0.28%
Monthly Instant Access Account			
£50,000+	3.35%	3.40%	2.68%
£20,000	3.11%	3.15%	2.49%
£10,000	2.96%	3.00%	2.37%
£5,000	2.47%	2.50%	1.98%
£2,500	2.28%	2.30%	1.82%
£1,000	2.08%	2.10%	1.66%
Trident Gross			
£20,000+	4.25%	-	3.40%
£10,000	3.75%	-	3.00%
£5,000	3.25%	-	2.60%
Monthly and Flexi-TESSA (1st issue)			
Monthly-TESSA	5.45% TAX FREE*		
Flexi-TESSA	5.25% TAX FREE*		

*Without UK income tax deducted. **Annual return if monthly interest payments remain in the account. †Assuming rate of income tax at 20%. Interest will be payable net of the applicable rate of income tax (which may be reclaimed by non-taxpayers) or gross, subject to the required registration. CAR and net rates are illustrative only and have been rounded to two decimal places. Rates may vary but are correct at the time of going to press. FOR INFORMATION. Interest rates on some other accounts have also changed from the same date. Details of interest rates paid on other accounts are available from any Britannia branch. You may be unsure as to whether your existing account is the best one for you. If so, please call into your local branch where we will be happy to explain the various schemes in detail.

Britannia
The Sharing Society
Britannia Building Society
Britannia House Leek
Staffordshire ST13 9NG



GAVYN DAVIES

'If technology has changed so that the market value of brawn has declined, while that of brain has risen, then the providers of brawn will, in the short term, find that they are in trouble'

Incomes surge fails to allay deeper insecurities

The Mori poll in the *Times* last week showed economic optimism – the feel-good factor – improving to its best level since August 1994. But with the Tory share of the vote jumping 4 percentage points in that part of the Mori poll taken after England's victory over Spain in Euro 96, there were suspicions that football, rather than economics, may have been responsible. If so, the feel-good factor may have returned with a vengeance on Thursday morning. Speaking personally, there is no chance whatever of my even hinting at economic optimism to any opinion pollster this side of the World Cup in France. So there.

Others might be more influenced by the fact that real disposable income is rising by 4 per cent a year, the fastest rate since 1988. With the balance of payments deficit for last year having been revised down to under £3bn, there seems little to stop this continuing for a while. A strong cyclical rise in consumer confidence seems virtually assured in the run-up to the election, which is why logic still seems to dictate that polling day will be delayed until the last possible minute.

Against this background, there is something odd about the persistence of a deep mood of economic insecurity in the UK – and, indeed, in the US. As Alan Greenspan, chairman of the Federal Reserve, said in a speech on 6 June: "Today, a truly puzzling phenomenon confronts the US economy: the

pervasiveness of job insecurity in the context of an economic recovery that has been running for more than five years, inflation that has been contained, and a layoff rate that is historically quite low. Yet in the face of this seemingly good news, a sense persists that something is fundamentally wrong."

The same points could be made about Britain. Output has been growing for four years, and unemployment is a third lower than the peak reached as long ago as 1986. Nevertheless, we share with America a brooding sense of foreboding and insecurity. Things might be improving for the time being, but there is no sense of reliable advancement for most families. In Mr Greenspan's view the issue is rooted in one of those rare, perhaps once-in-a-century events, a structural technological advance.

The development of transistors and integrated circuits has, on this analysis, created a situation in which abstract ideas have replaced physical brawn as the key human ingredient in the creation of output.

Mr Greenspan points to an apparently trivial fact – that the physical weight of US GDP today is only modestly greater than that of the economy of a century ago, while the value of GDP, adjusted for inflation, is an order of magnitude larger. So what, you may ask? Well, this simple fact surely shows that those who claim there is something special about

physical goods, something magic about manufacturing, are barking up the wrong tree. It is possible to imagine a country producing a huge GDP but one that weighs almost nothing, with the difference being explained by the market value of ideas. Singapore is an example of a small economy moving in that direction, while the US and Britain are examples of larger ones.

If this is what is going on, it could account for the widespread feeling of insecurity in the population. Admittedly, over the long term, technological advance does not create either insecurity or the threat of unemployment, despite the almost universal belief that it does. To see why this cannot be the case, simply consider the fact that there are huge technological advances from one decade to the next, but that there is no long-term rising trend in unemployment observed in the UK or other developed economies. Obviously, the economy eventually finds a way of adjusting the demand for labour to new technology, with no long-run change in employment, but a massive long-run advance in living standards. This is why technological development is an unmitigated long-term economic blessing for the economy as a whole.

But the same is not necessarily true of the short term, and certainly not of all members of the population. If technology has changed so that the market value of brawn has de-

clined, while that of brain has risen, then the providers of brawn will, in the short term, find that they are in trouble. The market value of their labour will fall, and this will be reflected in a decline in their real wages (as in the US), or a rise in unemployment (as in continental Europe), or a bit of both (as in the UK).

In the US, some of the consequences of all this have been staggeringly large. For example, since 1979 the real earnings of males with a minimal 12 years of schooling has dropped by 20 per cent, while the initial wage for this group, when they first enter the labour force, has dropped 30 per cent. Other than at times of hyper-inflation, or possibly during the Great Depression, I doubt if there are many examples of such a huge backward step for such a large group of workers in the history of successful capitalist economies.

This immiseration of low-skilled workers contrasts sharply with the experiences of college graduates, who have seen continuing improvements in living standards, and have watched the premium accorded by the jobs market to extra education increasing substantially. Yet even in these privileged groups, which should be the main gainers from the technological revolution, there is also a sense of insecurity. In the UK, part of this is due to the fact that this group is disproportionately to be found in the South-

east, and among homeowners, the two sectors which happened to be the main sufferers from the last recession.

Over time, the memories of these particular shocks should fade – perhaps they are already doing so. But Mr Greenspan reckons there is a deeper force at work. He believes the educated workforce is the group that implements technical advance, and therefore is most aware of the turmoil created by it. Even if the people concerned are the largest gainers from the upsurge in demand for skilled workers, they are also the most aware that incessant turnover and instability are dominating the economy. They fear they will be next to lose their jobs.

Several of Tony Blair's recent speeches have been on this topic, and it is clear that he is well aware of the political opportunities and risks these developments bring with them. The design of social security systems in an environment of constant technical change is one such problem. The need to ensure that private firms devote time and resources to enhance the skills of their workers – particularly difficult to achieve when firms cannot predict how long there will be a demand for any particular type of labour – is another. These deep-seated problems of insecurity will not be solved by a year or two of above average growth in real disposable income, however useful that might be for the Tories' rising chance of re-election.

The boss of Bain & Co tells Roger Trapp of her baptism by fire

True north maps the route to retaining core values

Management consultants are fond of pet phrases, and Orit Gadish is no exception. Hers is "true north". The chairman of Bain & Co, the Boston-based international strategy consultancy, got it from her husband, a successful entrepreneur and keen sailor who has completed a single-handed voyage around the world.

Like other adventurers, British-born Grenville Boyd uses it to distinguish from magnetic north, the direction in which magnetic compasses point. But his wife sees it as a powerful metaphor for sticking to your core values. "I've used it internally for a number of years and people have picked it up," she said on a short trip to London to speak at a conference on business strategies for the next century.

And she feels it has helped the firm through its turnaround earlier this decade. The situation, which led to the organisation losing nearly half its world-wide staff and seeing revenues fall dramatically from an estimated 1989 peak of \$240m, was precipitated by the decision at the end of the 1980s of Bill Bain and seven other founders to leave the organisation they started in 1973 with a large sum of money.

The years 1990 and 1991 saw fierce struggles over the size of that sum, but Ms Gadish insists

there was never a financial crisis and also acknowledges that the experience has given the firm a useful, if unwelcome, insight into the problems suffered by its clients.

Nevertheless, one senses that she regards the episode as over. Instead, she concentrates on as-

outlook, she stands out. Her purple hair, long red finger nails and prominent costume jewellery are much remarked upon. But it is not just her appearance that makes Ms Gadish unusual.

True, she attended Harvard Business School before joining

THE MONDAY INTERVIEW ORIT GADISH

setting that the firm – whose revenues, in keeping with the status as a partnership, are not disclosed – is growing "faster than anybody else", at between 25 and 40 per cent a year.

The other affair which brought the normally low-profile, somewhat stuffy Bain & Co into the limelight was the Guinness scandal. Thanks to the secondment of the firm's Oliver Roux to assist Ernest Saunders in setting strategy, business people gained the impression of the drinks company being over-run with "Bainies". That, she says, was "clearly a mistake I hope we've learned from".

Indeed, many would see the appointment three years ago of Ms Gadish as chairman of the board as an attempt to break with the past.

In an organisation noted for a certain East Coast button-down style and uniformity of

Boston-based Bain in 1977. But there the similarity with most of the thousands of people graduating from the world's management schools ends.

The daughter of an Israeli general whose 75th birthday celebrations she attended at the weekend, she did her own turn in the army (in intelligence) before following up her degree in psychology with a teaching position at her alma mater Hebrew University. A year's study leave in the US resulted in her going out with a Harvard Business School student and coming to the view that she should try that line herself.

Though she spoke little English, she was accepted for the prestigious course and graduated in the top tier with the Brown prize for the most outstanding marketing student.

She was adamant that she wanted to work in New York or London but was persuaded to stay in Boston by the vision Mr Bain put forward when she asked him during her interview what the firm would be doing in five years. From the beginning, she found that the proposition that Mr Bain had was "unique and fascinating".

She admits that the approach to consulting he adopted on giving up his position as her apparent at Boston Consulting Group to go out on his own does not sound revolutionary today. But then the idea that a consultant's product should not be a report but bottom-line results for the client revolutionised the industry.

"It called for a different ap-

proach to how you work with clients. It's not enough to have a great idea. If it doesn't get implemented, or can't get implemented, it's not a Bain product," she says.

This emphasis on implementation is now fashionable, though Ms Gadish maintains that few other consultancies are as effective at it as Bain. It means working with people at all levels, rather than concentrating on the executive level favoured by most consultancies.

But then she likes to get her sleeves rolled up. As a strategist, she likes to point out that she has not specialised in any particular industry.

None the less, she did spend an early part of her career in steel, where she reportedly retorted to one old hand's remark about women being unlucky by saying: "You should make sure I go to every one of your competitors."

Even now she spends 70 per cent of her time on client work. But that is typical of the Bain management and stems from a belief that it prevents the most experienced people being removed from where they are most valuable – helping clients – and enables them to keep in touch.

But though her working week often approaches 100 hours, Ms Gadish, who quotes Oscar Wilde in support of her refusal to state her age, is equally adamant that the broad perspective expected of the strategic consultant requires active interests outside the office.

Though she does not often accompany her boat-mad husband because of seasickness, she is an avid reader of history, fiction and science as well as keen theatre goer. Foreign trips of keen interest include visits to bookshipped home.

While she admits that the psychology training helps her to spot clients' concerns, she attributes her ability to "read" people to her reading of books. Anthony Powell's *A Dance to the Music of Time* is especially insightful, she explains.

IN BRIEF

• Costain is expected to announce progress this week on two substantial cash injections alongside losses of at least £40m. The heavily indebted construction group's shares were suspended at 3p on Wednesday after a 31p plunge forced Costain to reveal that "significant corporate developments" would be announced shortly. Talks are under way with a South-east Asian investor after months of rumours that a big Malaysian construction group was ready to buy the 19.1 per cent stake held by Mohamed Abdulmohsin Kharafi & Sons, Kuwait's largest construction group. A further 19.2 per cent of Costain is in the hands of Raymond International, a Saudi-Arabian contractor involved in pipeline construction. Separately, negotiations are known to be at an advanced stage for the sale of Costain's US coal assets, comprising surface and underground mines in Kentucky.

• Bell Cablemedia yesterday turned up the heat on BT, announcing further deep discounts on residential telephone charges and offering a low line rental rate of just £6.90, compared with £8.26 from BT. From today, all Bell calls will be 25 per cent lower than BT's standard charges, leading to a 20p saving on a 10-minute daytime national call. BT was last week charged with mounting a "dirty tricks" campaign to woo subscribers back from cable operators. Separately, Mercury Communications said it was cutting the price of all international calls, and offering free UK weekend minutes on a sliding scale to users of its SmartCall scheme.

• Royal Dutch Shell, the Anglo-Dutch oil company, has replaced General Motors as leader of the Forbes World Super 50, the magazine's annual ranking of the world's most powerful public companies. Forbes bases its ranking on the best three-out-of-four criteria – rank in sales, profits, assets and market value. In third place this year is Exxon, followed by General Electric, Bank of Tokyo-Mitsubishi, Toyota, Philip Morris, Ford, IBM and NTT. Of the top 50 firms, 22 are American and 12 Japanese. The magazine also ranks individuals according to their wealth. For the second year in a row, two Americans, Bill Gates and Warren Buffett, topped the ranking of the world's billionaires, with respective net worths of \$18bn and \$15.3bn.



Sleeves rolled up: Orit Gadish believes it is not enough just to have a great idea

Photograph: David Rose

BUSINESS TO BUSINESS

Opportunities

WORK FROM HOME
• Highly Profitable One Person Operation
• No Staff
• 6-7 Hours Per Week
• Using Home Computer
• Full 2 Years Back Files
• Full Training Given
• Excellent After Sales Service

INTERDATA
2nd Floor, Windsor House
55 St. James's Street, SW1
FREE CALL
0800 827853

Dove
TRAVEL
Start your own Travel Arrangement
Get a team of travel services including
flights, hotels, car hire, insurance, etc.
7% off your commission. All you need
is your own computer and internet access.
BONDED Licence for £240 - incl.
Free Home Info pack
ring (01753) 717668

CABOCHON
A serious income opportunity
Partners on the
U.K., EUROPE, JAPAN
Handling and marketing quality
designer costume jewellery and more
collections.
Unlimited earning potential.
Free training and support
For FREE Catalogue and further details
Telephone: 01222 300071
Fax: 01222 300072
Email: info@cabochon.co.uk

MARKETING COMPANY
WITH 850 SALES AGENTS
HAS URGENT REQUIREMENTS
FOR GOOD PRODUCTS
Our agents sell on
commission only & cover all
market sectors
01926 330333
NRG Market

To advertise
in this
section
please call:
David Owen
on
0171 293 2338

DO YOU LIKE TO NEGOTIATE?

If so, negotiating with creditors for your clients to reduce problem debts could be the perfect business for you.

No Competition & Quick Cash Flow
Mediation and debt negotiation is one of the UK's fastest growing yet least known consultancy areas, offering phenomenal income potential, no competition and quick cash flow.

Average £3,500 Per Case
Established 30 years in the UK and US, we can substantially increase your income by negotiating between debtors and creditors over problem debts which we are able to reduce by up to 70%.

We work on a results-only basis, earning an average £3,500 for each case we handle.

This is an easy business to learn and the income potential is substantial

Professional Training
We offer excellent training (can include a partner) and full business back-up, supported by skilled debt mediation negotiation experts.

If you would like to know more about our Associate Training Programme and have £5,900 (+VAT) investment capital (rebated through joint-ventures) please fax our free prospectus and video tape.

0171 225 3765
Fax 0171 225 2274

VACOR
60 Albert Court, Prince Consort Road, Knightsbridge, London SW7 2BN

UNITED TRUST BANK LIMITED
Authorized under the Banking Act 1987
PROVIDERS OF SHORT TERM PROPERTY FINANCE
Facilities From £100,000

CONTACT:
COLIN BANSBAY
NEIL DAVEY
1 GREAT CUMBERLAND PLACE
LONDON W1H 7AL
TELEPHONE: 0171 258 0094
FAX: 0171 262 4273

£23,029
Is exactly how much you would have, fast free, if you phoned us 62 weeks ago! You need £3995 capital and 2 hours each Saturday

* Limited Licences available
* Not Franchise or MLM
* No selling involved
* Immediate income

Tel:
01707 601 307
DORCHESTER PLAN

STOP PRESS
UP TO 50% OFF
All Catalogue Phones
O DISCOUNT BUSINESS AND
O DISCOUNT EQUIPMENT
Many Reg only £250
Automatic Telephone Call
Recording Machines £1250
Wholesale by Catalogue £2400
For a FREE catalogue or
further information Tel:
STREETWISE LIMITED
01542 676942
17 York Road, Ordsall, Salford
Greater Manchester M6 2JL

FILM EXTRAS
URGENTLY REQUIRED
Nationwide for TWO major
features time plus various
productions. Any age,
shape or size inc children.
For immediate stand by
S.A.E. to: The Casting Dept,
(UFP) Gloria, H&S, Latics
LE1 2AA. Tel: 0116 2236 007

NOTICE TO READERS
Whilst we take reasonable
precautions with all
advertisements, readers are
strongly advised to take
professional advice before
paying a deposit or entering
into any financial commitment.

Services

Are you a serial Angel?

VCR
est. 1976

At Venture Capital Report we can offer you

- 300 selected opportunities pa
- membership of the world's largest Business Angel network
- first-hand practical advice on making equity investments
- potential high returns

For further info
Tel: 01865 784411
Fax: 01865 784412

07000

The Telephone Number that follows you around!

OFFICE, MOBILE, HOME, FAX, VOICEMAIL
This telephone number will find you wherever you are.
Works in conjunction with any existing telephone numbers.
Change your own personal number.
Our members can even split your home or business costs.
e.g. 07000 305591 = 07000 567374

STATUS PHONES LIMITED
FOR MORE INFORMATION CALL
07000 782 887 (STATUS)

Network

The I.T. marketplace for the latest news in computing and telecommunications with pages of career opportunities in these expanding industries

See Network the 16 page special I.T. pullout in section two

To book your advertisement call The Network team on **0171 293 2312**

Every Monday in the THE INDEPENDENT section two

SCIENCE

The political row over beef seems to be over, but will we ever know if BSE can be passed to humans? New evidence suggests that even if it can, some of us may be immune – but our chances are 50-50. By **Charles Arthur**

CJD: can your genes save you?

Before you read further, take a coin, pick heads or tails, and flip it – but don't look at the result. Your guess was either wrong or right; and that is how likely you are to be immune to the "new variant" of CJD, if it can be caught from eating beef products infected with BSE. And while the coin remains hidden, that is how much you know about your personal status – immune or susceptible.

TOM S

City Ed

House

don an

by 10 p

ket ei

mini-

Risi

er wit

falls, I

afford

prospe

any tir

The

Morga

owned

with il

pectac

est co

nsu

its fas

Spend

4 per c

Verol

R

cc

4

More

to be:

comp

vatisa

the si

tracts

emery

Un

with

count

static

Britis

tenan

cent r

the m

The

track

flbn

costs

fied f

Ed

ways,

West

ering

zinc

wouk

stron

over

Th

comp

simk

to: in

offel

enue

nanc

1,600

leadi

some

units

flater

Jol

the si

units

worl

rack

In

il're

hey

igrex

of wc

setit

Fi

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

the

sition of insoluble plaques of the misshapen protein in brain cells, leading initially to loss of cell function and finally to the decay and "spongy" appearance of the brain. Everyone has two copies of the PrP gene in each cell. By chance (more probably, a quirk of evolution), there are two different versions of this gene randomly spread throughout the Caucasian population. The difference occurs at the 129th "codon" of the gene. Each codon is a set of instructions within the gene, and specifies a particular amino acid to be added to the protein being made. In one version of the PrP gene, codon 129 specifies the production of methionine; in the other, it specifies valine. These are known as the "meth" and "val" versions of the PrP gene.

The key to the prion diseases (as BSE and CJD are sometimes known) is shape. Depending on the sequence of amino acids, the protein folds into a particular shape. Substitute one amino acid for another at some point – say, methionine for valine – and you create a differently shaped product.

If you are Caucasian, then because the two versions are randomly spread through the population, there is an equal chance that you have identical copies of the gene. Both copies might be "meth", or both "val". In the standard phrase, you are homozygous for c129. Alternatively, there is a 50 per cent chance that you have one of each PrP gene – that is, you are heterozygous.

And here is the crux – all 12 cases so far identified of vCJD are homozygous for c129 of the PrP gene. Furthermore, previous research suggests strongly that people who are heterozygous have a very low risk of developing prion diseases.

This fact was highlighted recently by John Collinge, head of the Prion Disease Group at Imperial College of Science, Technology and Medicine, and one of the leading scientists in this field. "We express [produce the PrP protein from] both genes," he said. "It seems that if they are different, then the misshapen version of the protein has more trouble in causing the change in shape of the normal ones. It just doesn't seem to happen. But if the PrP genes are the same, then the change can occur much more easily."

Adriano Aguzzi, of the Institute of Neuropathology at the Universi-



Best of British: But for those exposed to BSE from offal products since 1989, escaping CJD may depend on genetic susceptibility

ty Hospital in Zurich, says the two different original versions of the PrP protein "reduce the efficiency of the conversion [to the misshapen prion form] by reciprocal competition". It may be that one form of the PrP protein does change shape into prions, but that it cannot affect the other form, which retains its function. But here, the science turns into pure hypothesis, since the prion theory still has some gaps – specifically, in how the infectious prion affects the normal PrP protein.

None of this relies on vCJD being derived from BSE, though the experimental data is beginning to accumulate to suggest that it is. James Ironside of the CJD Surveillance Unit said that recent work, in which

macaque monkeys were injected with BSE and showed brain plaques after three years which strongly resembled vCJD, "strengthens the hypothesis". However, earlier experiments with marmoset monkeys given BSE did not produce vCJD plaques. The problem is that if BSE does not cause vCJD, there is no way to prove it. Science can't prove a negative.

But even so, Collinge and Aguzzi seem to suggest that half of us really have nothing to fear, even if BSE is transmissible to humans – which the scientific evidence suggests with growing insistence. But equally, half of us have a great deal to fear, since CJD is fatal and untreatable, and no body knows what the lower limit is

for exposure to the disease agent. So, would you like to look at your coin now?

In the real world, of course, looking at the coin to find out whether you are really at risk requires genetic testing – an option which is both slow and expensive. Unsurprisingly, the British Government is taking a more pragmatic (and cheaper) approach than widespread genetic testing of everybody's PrP genes – a measure which would hardly reduce public concern and would probably cost as much again as the planned cattle cull.

A private company has been hired by the Ministry of Agriculture, Fisheries and Food (MAFF) to find out just what happened between 1980 and 1989 to all the bits of cows

– the head, brain, spinal cord, spleen and lymph glands – that since 1989 have been declared "Specified Bovine Offals" (SBOs), and banned from human and animal consumption. The Medics on SEAC, the specialist committee of scientific advisors to the Government on BSE and CJD, requested the study some months ago, though budgetary limits meant it has only just begun. "The medics on SEAC want to have information about the most likely route of infection, if there was one," explained a MAFF spokeswoman last week. "So the research is looking not just at how SBOs were used in food and pharmaceuticals, but also in paints, tyres and oils."

The worrying thing about the BSE

prion, as Dr Aguzzi puts it, is that "it is highly promiscuous in its choice of hosts. Unlike its counterpart in sheep, mice and humans, it appears to infect animals of other species easily, especially when transmitted orally." Furthermore, he points out, the French research on the macaques used only about 50 to 100 milligrams of BSE-infected material for each monkey. "These macaques are well within the range of 10 to 100 milligrams of BSE-infected material present in cattle offal products for human consumption until a few years ago," he comments.

Cause for concern? Certainly. But quite possibly half of us don't have anything to worry about. Would you like to flip your coin again?

Creutzfeldt-Jakob disease in the UK

The most important figures in this table are in the bottom right-hand corner: the nine deaths so far from the "new variant" of Creutzfeldt-Jakob Disease (CJD) in the UK. While every death from CJD (and its other forms) is a personal tragedy, those nine deaths have further importance. Besides those nine deaths, two people with the disease are still alive. Diagnosis is usually only made after a death has been referred to the CJD Unit from hospitals or GPs. As the left-hand column shows, referrals have been holding steady. "Sporadic" CJD is the common form, usually found in people aged over 60. "Iatrogenic" is caused by the disease being introduced to the victim – mostly through treatment with human growth hormone. "Familial" cases occur in families which have a mutation of the PrP gene (see main text). "GSS" – Gerstmann-Sträussler-Scheinker syndrome – is an extremely rare

Year	Referrals	Deaths of definite & probable causes					Total
		Sporadic	Iatrogenic	Familial	GSS	nvCJD	
1985	-	26	1	1	0	-	28
1986	-	26	0	0	0	-	26
1987	-	23	0	0	1	-	24
1988	-	21	1	1	0	-	23
1989	-	28	2	1	0	-	31
1990	52*	26	5	0	0	-	31
1991	75	32	1	3	0	-	36
1992	96	44	2	4	1	-	51
1993	78	37	4	2	2	-	45
1994	115	53	1	2	3	-	59
1995	79	33	4	1	2	3	43
1996	46	12	0	0	1	6	19

* The CJD Surveillance Unit was set up by the Department of Health and the Scottish Home and Health Department in May 1990. Source: Department of Health

Inherited disease also associated with PrP mutation.

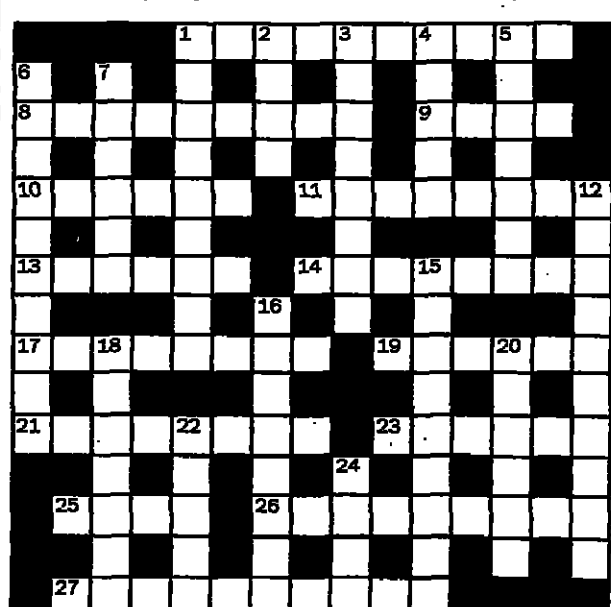
The CJD Unit is convinced vCJD is a new phenomenon. One non-UK case has been discovered –

retrospectively – in Lyons, bringing the total number of definite vCJD cases recorded to 12. The possibility that more might be out there is occupying many medics' time.

THE INDEPENDENT CROSSWORD

No. 3027, Monday 1 July

By Fortia



- ACROSS**
- He knocks the lot down (10)
 - Isn't easy getting out (3,2,4)
 - Fail to meet Greek leader before take off (4)
 - Girl's promotion a number accepted (6)
 - Finished with spoken poem (8)
 - Expert's able to return (6)
 - Manage to leave (3,5)
 - One isn't crazy about a foreigner (8)
 - Go for very musical pupil (6)
 - Raised points with VIP in front (8)
 - Sculptor's bill is sent back by star (6)
 - Hear dog's greeting (4)

- DOWN**
- Series of letters bodyguard receives (5,4)
 - Former PM's of concern to intelligence (4,6)
 - Notice a strain say (9)
 - Catch nothing in pen (4)
 - Does again object to key charges (8)
 - Approaching time of darkness (5)
 - Seaport's rough grass (7)
 - Fashionable swimsuit emerges undamaged (2,3,5)
 - Workshop boss I round on (6)
 - Bird-brained lawyer? (5,5)
 - Sober person smashed in bar-seat (9)
 - Volume of drink I can shift in Spain (8)
 - Port has more of a bite to it (7)
 - Jacket in tan or a khaki shade (6)
 - Prize idiot? (5)
 - Expect delay (4)

"You're not sure your health insurance will pay my bill, are you?"

Until now, buying a cheaper private healthplan has meant compromising on the amount of cover you get. But Primecare, a new policy from Prime Health, actually gives you comprehensive cover – at a budget price.

So, if you're buying a policy, ask yourself: does it cover out-patient treatment, like specialist consultations? Does it give you immediate access to private treatment? Does it guarantee full payment of surgeons' and anaesthetists' fees? Will it pay for alternative medicine?

Primecare gives you all this. In fact, we believe it to be the best deal currently on the market. Why not switch immediately? You can be covered the moment you contact our Customer Advisors on 0800 77 99 55.

Prime Health
A member of the Standard Life Group

Call Prime Health on 0800 77 99 55, or fill in the coupon.

Title _____ First name _____
 PLEASE USE BLOCK CAPITALS
 Surname _____ Date of birth _____
 Address _____
 Postcode _____
 Phone (inc. STD code) Day _____ Evening _____
 Date of birth of the eldest person requiring cover _____
 Cover required: Single ☐ Married ☐ Family ☐ Single parent family ☐
 If you already have private medical insurance please state renewal date _____
 Please post to (no stamp required) Prime Health Limited, FREEPOST, SK 3042 Stockport, Cheshire SK2 6YB.
 MO248NG